

**Comprehensive Annual  
Financial Report**

**of the**

**Flemington-Raritan Regional School District**

**County of Hunterdon**

**County of Hunterdon, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

**Prepared by**

**Stephanie Hope, Board Secretary/School Business  
Administrator and the Business Office Staff of the  
Flemington-Raritan Regional School District**



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**INTRODUCTORY SECTION**



# Flemington-Raritan Regional School District

Gregory T. Nolan  
Superintendent

50 Court Street, Flemington, NJ 08822-1300  
gnolan@frsd.k12.nj.us  
(908)284-7575 - FAX (908)284-7656

November 16, 2011

Honorable President Larmore and  
Members of the Board of Education  
Flemington-Raritan Regional School District  
County of Hunterdon, New Jersey

Dear President and Members:

The comprehensive annual financial report of the Flemington-Raritan Regional School District for the fiscal year ending June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Flemington-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133 Revised, "Audits of States, Local Governments, and Non-Profit Organizations", and the State OMB Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Flemington-Raritan Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Flemington-Raritan Regional Board of Education and all its schools constitute the District's reporting entity.

The Flemington-Raritan Regional School District serves Flemington Borough and Raritan Township children providing a full range of educational services appropriate to grades K through 8. These include regular as well as special education for handicapped youngsters. Four elementary schools (Barley Sheaf, Copper Hill, Francis A. Desmares and Robert Hunter) house grades kindergarten through four. The Reading-Fleming Intermediate School houses grades five and six, and J.P. Case Middle School houses grades seven and eight.

The District completed the 2010-2011 fiscal year with an enrollment of 3,653 students.

The following table presents the actual historical pupil enrollment, as of October 15, for the school years 2000-2001 through 2010-2011.

<u>School Year</u>	<u>Enrollment As of October 15</u>	<u>Percent Change</u>
2000-01	3,440	1.30%
2001-02	3,452	0.35%
2002-03	3,516	1.85%
2003-04	3,552	1.01%
2004-05	3,569	.48%
2005-06	3,576	.20%
2006-07	3,592	.45%
2007-08	3,544	-.13%
2008-09	3,584	.98%
2009-10	3,630	.99%
2010-11	3,628	-.05%

2) ECONOMIC CONDITION AND OUTLOOK:

The Raritan Township section of the Flemington-Raritan Regional School District is experiencing a period of slowing residential development due to current economic conditions. The Planning Board has approved an additional 127 single-family homes. These homes are scheduled for completion between 2009 and 2012. This new housing inventory, together with resale's, indicates that the school district will continue to slowly grow.

The Flemington Borough section of the Flemington-Raritan Regional School District is expecting little development in the foreseeable future. Because of limited open space, the Borough is not expected to grow significantly and the tax base is expected to remain relatively level.

3) MAJOR INITIATIVES:

The Board established seven major goals during its annual Board Planning meeting. The 2010-2011 goals aimed to ensure that every student receives an excellent education and is prepared to achieve excellence at his/her next educational level.”

1. Implement and continually monitor the implementation of the District's Strategic Plan 2010-2015.
2. Improve students' performance on the Language Arts Literacy portion of the NJASK.
3. Develop and implement a plan for improving the performance of special education and economically disadvantage students.
4. Continue implementation and monitoring of the "Stretch' program and the G&T General needs Assessment recommendations.
5. Begin integrating Project Based Learning into the curriculum to encourage the use of technology and to support 21<sup>st</sup> Century Skills.
6. Implement new student management software, Powerschool, to replace all functionalities formerly provided by WinSchool.
7. Begin shift of professional development to a Professional Learning Community philosophy.

To achieve these goals, the District implemented a comprehensive program of professional development, curriculum materials, and instructional material adoptions.

### Professional Development

- The district continues to meet the requirement that all teachers be “highly qualified” in the grade level/subject areas that they are teaching.
- District staff was offered a wide variety of staff development opportunities during the summer of 2010. Workshops focused on improving teachers’ use and familiarity with technology, teaching writing, increasing strategies for teaching math and science, and promoting positive classroom environments through Cooperative Learning and Responsive Classroom and Professional Learning Communities.
- The district continued its commitment to a thorough induction process for all teachers hired within the past two years by offering specialized workshops for new teachers. These included New Teacher Writing, New Teacher Reading, New Teacher Science, New Teacher Math, as well as district and building level orientations for our newest teachers.
- The district also supported its novice teachers through the development and implementation of our District Mentoring Program. With the support of outside consultants, training was provided for all teachers intending to serve as Mentors. In addition, the district continues to provide on-going Mentor training throughout the school year and provided compensation for these teachers.
- The Local Professional Development Plan outlined training needs as identified through a teacher survey, informal discussions with district and building level administration, and a review of test data. Two full days, two 3-hour, and eight 90-minute meetings were used to provide the professional development necessary to meet Board goals for instructional improvement.
- The district continued its strong commitment to fostering teachers’ use of technology as an instructional and communication tool. A variety of workshops were offered during the summer of 2010 and computer teachers were provided regularly schedule time in their schedule to support the integration of technology in classroom lessons.

### Curriculum Development

The District maintained its commitment to the objective and thorough evaluation of curricular programs and the continual refinement and consistent implementation of curriculum documents.

Needs Assessment

- G&T Stretch Parent Survey

Curriculum Development

A series of projects, some required by the NJQSAC District Improvement Plan, were implemented throughout the 2009-1010 School Year:

- Wordy Study 1-4
- Health Curriculum 5-6
- World Language 5-6
- School Counseling K-8
- G&T Stretch 4
- K-8 Language Arts Literacy Alignment
- K-8 Math Alignment
- 1-8 Science Revision
- 3-4 Social Studies Revision

Instructional Materials Adoption

The District has funded the following textbook and supplemental material adoptions during the 2010-2011 school year. Funded projects included:

- 3-4 Social Studies Texbook

The district also continues to effectively plan and manage funds provided through grants to further the goals of professional development for teachers and improved educational services to students.

- Title I funds were used to fund three class sections of Project Achieve for Kindergarten, which is an extended day Kindergarten program for at-risk students. However, serious consideration is being given to eliminating this program in the future due to dramatic reductions in Title I funding levels during the past two years.
- Title II-A funds were used to fund the District's Mentoring Program, Cooperative, Learning, Responsive Classroom, Language Arts, Mathematics, Formative Assessment, etc. workshops during the summer and during in-service days.
- Title II-D funds were used to support professional development through membership in NJECC.

- Title III funds were used to fund the Summer ESL program, RFIS ESL Learning Lab, FAD ESL After School Learning Lab and purchase innovative classroom materials.

Other on-going district programs were maintained and/or expanded during the 2009-2010 school year. These programs include the following:

- The district maintains its commitment to maintaining reasonable class sizes at all grade levels.
- Consistent with our newly-approved Technology Plan (also informed by a Technology Audit conducted by an outside consultant), teachers at Francis A. Desmares School were provided replacement laptop computers. In addition, the schools increased the number of LCD projectors, document cameras, and handheld devices throughout the District.
- A major Technology infrastructure project was completed during the summer of 2011. New routers and firewall were installed in all schools. Five schools received new cabling to support new wireless access points.
- The Reading Recovery program in Grade 1 was continued.
- The Student Support Math and Language Arts programs were maintained.
- The G&T Math and G&T Stretch programs was sustained with growth in the number of students qualifying for inclusion.
- The School Counseling program was maintained.
- The High-Intensity ESL program for Spanish-Speaking students was continued at all district schools, continued at the Francis A. Desmares Elementary School, as approved through the submission of the Bilingual Waiver application.
- The District purchased and implemented new student management software, PowerSchool. District funds purchased the software license, supported the implementation process, and provided professional development for all users.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse; and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles (GAAP). The internal control structure is designed to provide

reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the

Financial Statements”, Note 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by the state statute as detailed in “Notes to the Financial Statements”, Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Based on the opinion of the Attorney General for the State of New Jersey, the district also invests in the MBIA-Cooperative Liquid Assets Securities System (CLASS) and the New Jersey Asset & Rebate Management public investment programs.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A chart detailing the district insurance coverage's and applicable limits is included in the statistical section.

9) OTHER INFORMATION:

Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants.

The Board's finance committee selected the accounting firm of Suplee, Clooney & Company to conduct the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, the related OMB Circular A-133 Revised and State OMB Treasury Circular Letter 04-04. The auditor's report on the basic financial statements,

combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Flemington-Raritan Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. In addition, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,



Gregory T. Nolan  
Superintendent



Stephanie Hope  
Business Administrator/  
Board Secretary

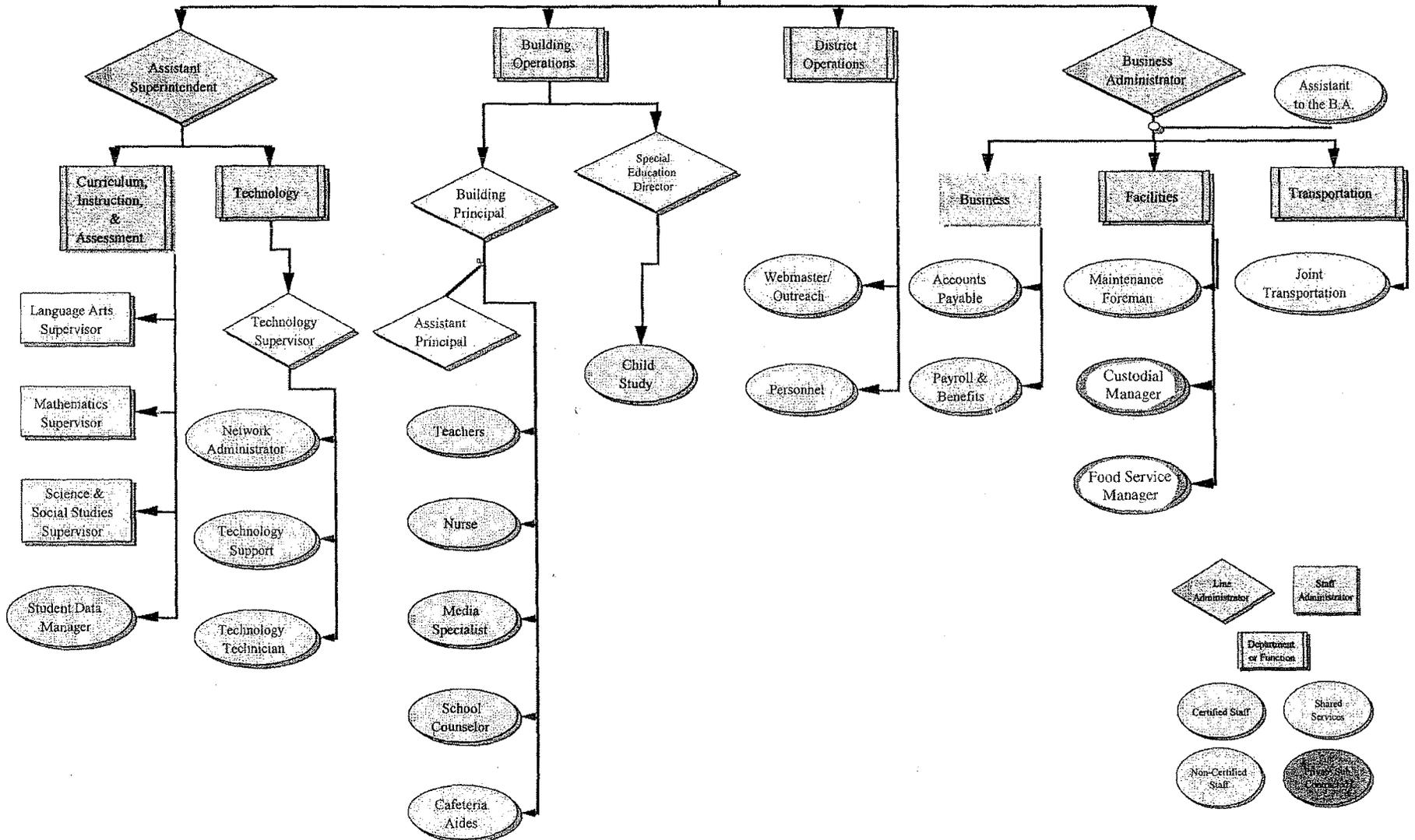
## **MISSION STATEMENT**

**The Flemington-Raritan Regional School District provides our students with an exceptional education, empowering them to become problem solvers, collaborators and critical thinkers. The district creates a culture in which students act responsibly and communicate effectively in preparing to become citizens in a changing, global society.**

**It is the expectation of the Flemington-Raritan Regional School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels.**

# Board of Education

Superintendent of Schools



**FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION**  
**FLEMINGTON, NEW JERSEY**

**ROSTER OF OFFICIALS**  
**JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patrick Larmore, President	2014
Dennis Copeland, Vice President	2012
Robin Behn	2014
Michael Bonieski	2012
Bruce Davidson	2013
Janine Foreman	2013
Linda Mastellone	2014
Doris McGivney	2013
Joseph Zarish	2012

Other Officials:

Gregory Nolan, Superintendent

Stephanie Hope, Board Secretary/Business Administrator

Daniel Bland, Assistant Superintendent for Curriculum and  
Instruction

Karen Slagle, Director of Special Services

Patricia Bader, Treasurer of School Monies

**FLEMINGTON-RARITAN REGIONAL BOARD OF EDUCATION**  
**FLEMINGTON, NEW JERSEY**

**CONSULTANTS AND ADVISORS**  
**JUNE 30, 2011**

**Architect**

Design Ideas Group  
2009 U.S. Route 130 Suite B  
North Brunswick, NJ 08902

**Audit Firm**

Suplee, Clooney & Co.  
308 East Broad Street  
Westfield, NJ 07090-2122

**Attorney**

Parker McCay P.A.  
1009 Lenox Dr., Suite 102A  
Building 4 East  
Lawrenceville, NJ 08648

**Bond Counsel**

Wilentz, Goldman, & Spitzer  
90 Woodbridge Center Drive  
Suite 900 Box 10  
Woodbridge, NJ 07095-0958

**Official Depository**

TD Bank, N.A.  
1701 Route 70 East  
Cherry Hill, NJ 08032-5400

**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Flemington-Raritan Regional School District  
County of Hunterdon  
Flemington, New Jersey 08822

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Flemington-Raritan Regional Borough School District, County of Hunterdon, New Jersey as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2011 on our consideration of the Flemington-Raritan Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Flemington-Raritan Regional School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 16, 2011

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

The Management's Discussion and Analysis of the Flemington-Raritan Regional School District (FRSD) offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 -*Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments* issued in June 1999. Certain comparative information between the current year (2010-2011) and the prior year (2009-2010) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- In total, governmental activities net assets increased \$1,464,089 while business-type activities net assets increased \$49,219 from 2010.
- Governmental activity expenses of \$56,249,520 were offset by revenues from operating grants and contributions of \$4,677,883 and total general revenues and special items of \$53,035,727.
- Business-type activity expenses of \$1,020,244 were offset by revenues from charges for services of \$809,571, operating grants and contributions of \$272,340 and total general expenses and special items of \$(12,448).
- The General Fund (the District's most significant fund) had revenues of \$52,416,442, and expenses of \$51,821,559. As a result, fund balance increased by \$594,882.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

**Using this Comprehensive Annual Financial Report (CAFR)**

This Comprehensive Annual Financial Report (CAFR) consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand FRSD as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provides information about the activities of the entire School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of FRSD, the General Fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, whether the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

In the Statement of Net Assets and the Statement of Activities, the School is divided into two distinct kinds of activities:

- Government activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise funds are reported as business activities.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

Fund Financial Statements provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

#### **Governmental Funds**

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

#### **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
FLEMINGTON, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**The School District as a Whole**

The Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2011 and 2010 in accordance with GASB Statement 34.

**Table 1**  
**Net Assets (EXHIBIT A-1)**

<b>Assets</b>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 5,111,567	\$ 4,578,858
Capital Assets	<u>52,618,089</u>	<u>54,142,737</u>
<b>Total Assets</b>	<u><u>57,729,656</u></u>	<u><u>58,721,595</u></u>
<b>Liabilities</b>		
Long-Term Liabilities	43,164,975	45,514,560
Other Liabilities	<u>574,392</u>	<u>730,055</u>
<b>Total Liabilities</b>	<u><u>43,739,368</u></u>	<u><u>46,244,615</u></u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	10,183,204	9,424,985
Restricted	2,488,727	2,327,129
Unrestricted	<u>1,318,357</u>	<u>724,866</u>
<b>Total Net Assets</b>	<u><u>\$ 13,990,288</u></u>	<u><u>\$ 12,476,980</u></u>

As noted earlier, the District's net assets may serve over time as a useful indicator of its financial position. The largest portion of the District's net assets (73 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the district's ongoing obligations.

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Table 2 shows changes in net assets for fiscal year 2011 and 2010 in accordance with GASB Statement 34.

**Table 2**  
**Changes in Net Assets (EXHIBIT A-2)**

<b>Revenues</b>	<u>2011</u>	<u>2010</u>
Program Revenues:		
Charges for Services	\$ 809,571	\$ 814,339
Operating Grants and Contributions	4,950,222	5,057,299
General Revenues:		
Property Taxes	46,606,298	46,798,892
Grants and Entitlements	5,159,490	6,380,582
Other	<u>1,288,250</u>	<u>1,035,462</u>
 Total Revenues	 <u>58,813,832</u>	 <u>60,086,574</u>
 <b>Program Expenses</b>		
Instruction	32,850,782	33,676,321
Support Services:		
Pupil and Instructional Staff	6,280,143	6,963,208
General and School Administration	5,294,869	5,491,330
Plant Operations and Maintenance	5,200,080	5,169,258
Pupil Transportation	4,691,569	4,632,460
Business Type Activities	1,020,244	1,024,645
Disposal of Capital Assets, Net	30,760	16,396
Interest on Long Term Debt	<u>1,932,077</u>	<u>2,017,964</u>
 Total Expenses and Special Items	 <u>57,300,524</u>	 <u>58,991,583</u>
 Increase (Decrease) in Net Assets	 <u>\$ 1,513,308</u>	 <u>\$ 1,094,991</u>

**Government Activities**

The unique nature of local property taxes in New Jersey creates the legal requirement to annually seek the approval of the registered voters of both of the constituent municipalities for the School District operations. The District's total governmental revenues were \$57,730,903 for the year ended June 30, 2011. Local property taxes made up 80 percent of revenues for governmental activities for the FRSD for fiscal year 2011.

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**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services. These services include the Food Services fund. Following are some of our major business-type activity results.

Overall business-type revenues exceeded expenditures by \$49,219.

- Charges for services total \$809,571 of revenue. This represents amounts paid by individuals for various program services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities was \$272,340.

**Governmental /Business-type Activities**

The Statement of Activities shows the cost of program services and the changes for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Comparisons to 2010 have been provided.

**Table 3 (EXHIBIT A-2)**

	<u>Total Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2011</u>	<u>Net Cost of Services 2010</u>
Instruction	\$ 32,850,782	\$ 33,676,321	\$ 29,800,078	\$ 30,644,642
Support Services:				
Pupils and Instructional Staff	6,280,143	6,963,208	5,471,629	6,030,184
General and School Administration	5,294,869	5,491,330	4,926,382	5,123,239
Plant Operation and Maintenance	5,200,080	5,169,258	5,117,539	5,088,469
Pupil Transportation	4,691,569	4,632,460	4,558,414	4,503,254
Interest and Finance Charges	1,932,077	2,017,964	1,697,595	1,752,334
Other	30,760	16,396	30,760	16,396
Business Type Activities	<u>1,020,244</u>	<u>1,024,645</u>	<u>(61,667)</u>	<u>(38,573)</u>
<b>Total Expenses</b>	<b>\$ 57,300,524</b>	<b>\$ 58,991,583</b>	<b>\$ 51,540,730</b>	<b>\$ 53,119,945</b>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities include expenses associated with the upkeep of the physical plant, utilities, and property/liability insurance coverage.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

Business-type activities include the costs associated with the districts cafeteria services.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$57,730,903 and expenditures were \$57,148,155.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Table 4 below presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increase and decrease in relation to prior year revenues.

**TABLE 4  
REVENUES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)**

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2010</u>	<u>Percent Inc/(Dec)</u>
Local Sources	\$ 47,951,788	83.06%	\$ 111,642	0.23%
State Sources	8,771,389	15.19%	(630,920)	-6.71%
Federal Sources	<u>1,007,726</u>	<u>1.75%</u>	<u>(771,174)</u>	<u>-43.35%</u>
Total	<u>\$ 57,730,903</u>	<u>100.00%</u>	<u>\$ (1,290,451)</u>	<u>-2.19%</u>

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The following schedule (Table 5) represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2011, and the percentage of increases and decreases in relation to prior year amounts.

**TABLE 5  
EXPENDITURES OF THE GOVERNMENTAL FUNDS (EXHIBIT B-2)**

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Inc/(Dec) FY 2010</u>	<u>Percent Inc/(Dec)</u>
Current:				
Instruction	\$ 22,909,378	40.09%	\$ (1,018,656)	-4.26%
Undistributed	29,583,635	51.77%	(398,008)	-1.33%
Capital Outlay	414,679	0.73%	(82,798)	-16.64%
Debt Service:				
Principal	2,359,000	4.13%	(159,000)	-6.31%
Interest	<u>1,881,463</u>	<u>3.29%</u>	<u>(96,942)</u>	<u>-4.90%</u>
Total	<u>\$ 57,148,155</u>	<u>100.00%</u>	<u>\$ (1,755,404)</u>	<u>-2.98%</u>

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, revisions were made by the District to the annual operating budget. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts. In addition, the following revision is noteworthy:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements.

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**Capital Assets**

At the end of the fiscal year 2011, the School District had \$52,618,089 invested in land, building, machinery and equipment. Table 6 shows fiscal year 2011 balances compared to 2010.

**TABLE 6**  
**CAPITAL ASSETS (NET OF DEPRECIATION)**

Capital Assets (Net of Depreciation )	June 30 <u>2011</u>	June 30 <u>2010</u>
Sites	\$ 2,399,641	\$ 2,399,641
Construction in Progress	104,215	
Site Improvements	1,127,182	1,237,018
Building and Building Improvements	47,190,068	48,494,420
Machinery and Equipment	<u>1,796,983</u>	<u>2,011,657</u>
 Total	 <u>\$ 52,618,089</u>	 <u>\$ 54,142,737</u>

Overall capital assets decreased \$1,524,648 from fiscal year 2010 to fiscal year 2011.

**Debt Administration**

In the governmental funds, at June 30, 2011, the School District had \$43,674,067 of outstanding debt. Of this amount \$957,067 is for compensated absences and \$42,717,000 of serial bonds for school construction.

There was no debt outstanding in the business-type activities funds.

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**Fund Balances**

Table 7 shows a comparison of the fund balances in each of the District's Governmental and Business-type activities funds.

**TABLE 7  
ANALYSIS OF FUND BALANCES (EXHIBIT B-1)**

	June 30 <u>2011</u>	June 30 <u>2010</u>	<u>Difference</u>
<b>Governmental Funds</b>			
General Fund	\$ 4,484,984	\$ 3,890,101	\$ 594,882
Capital Projects Fund	41,971	45,377	(3,406)
Debt Service Fund	6,742	15,471	(8,729)
<b>Business Type Funds</b>			
Food Service - Enterprise Fund	<u>571,926</u>	<u>522,707</u>	<u>49,219</u>
Total	<u>\$ 5,105,622</u>	<u>\$ 4,473,656</u>	<u>\$ 631,967</u>

**For the Future**

The Flemington-Raritan Regional School District, encompassing 38 square miles, is a community of children and adults living, learning, and working together. In addition to fostering students' intellectual growth, we focus on enhancing their self-esteem and developing strong personal character.

The many programs we offer, in and beyond the classroom, provide opportunities for children to explore new interests, gain self-confidence, socialize, and learn from one another. Coupled with an outstanding instructional program, these stimulating experiences support and nurture the total child. Our commitment to staff development, high-quality instructional programs, enrichment activities, and enhancing student self-esteem support our philosophy of educational excellence. Our mission statement supports these endeavors:

*The Flemington-Raritan Regional School District provides our students with an exceptional education, empowering them to become problem solvers, collaborators and critical thinkers. The district creates a culture in which students act responsibly and communicate effectively in preparing to become citizens in a changing, global society. It is the expectation of the Flemington-Raritan Regional School District that all pupils achieve the New Jersey Core Curriculum Content Standards at all grade levels.*

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We actively involve the community in our schools. Classroom volunteers, advisory study groups, guest speakers, and active Parent-Teacher Organizations significantly elevate the level of educational experiences we provide for our students.

The District's four elementary schools with 1,993 students, offer students in grades K-4 a comprehensive educational program emphasizing process instruction techniques, cooperative learning, and integration of subject content areas. The K-2 program uses a balanced literacy approach to reading while math and science are taught through hands-on experiences. In heterogeneous classes, these students also study social studies and use computers. The 3-4 program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The elementary schools each have their own principal, vice principal, guidance counselor, nurse, and media specialist.

Reading-Fleming Intermediate School, supports 801 5<sup>th</sup> and 6<sup>th</sup> grade students. The fifth grade program includes literature-based reading, process writing, hands-on math and science, social studies and computers, all taught in heterogeneous classes. Teachers develop themes to integrate content areas wherever possible. Related arts instruction includes art, music, computer education, library skills, physical education, health and family life and world languages. The sixth grade is organized as a house plan with academic teams. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, art, music, computer education, library skills, physical education, and health and family life. The intermediate school houses a principal, vice principal, two counselors, and a full-time nurse.

J.P. Case Middle School, with 834 students, was opened in January 2006. It is organized as a house plan with academic teams at each grade level. This supports the small school atmosphere while providing various course options. Each team of students is taught the academic subjects by a corresponding team of teachers who meet regularly to monitor student progress and plan instructional programs. Academic subjects include reading, language arts, math, science, and social studies. An expanded related arts curriculum includes instruction in world languages, home economics, art, music, computer education, library skills, physical education, and health and family life. The middle school houses a principal, two vice principals, two counselors and one and a half nurses.

An innovative district technology plan enhances our instructional program, facilitates and promotes independent and cooperative learning, provides relevance to students' lives and futures, and increases the probability of effective use of learned material. Our technology program extends beyond the classroom and traditional school day and prepares technologically literate students, staff, and parents.

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The district provides a full range of special education programs and services. Multiply Disabled, Learning/Language Disabilities, Autism and Preschool Disabilities self-contained classes can be found throughout the district. Resource Center programs at each school offer in-class support as well as out-of-class instruction. In addition, related services of speech and occupational and physical therapy are provided to students requiring them.

The Board of Education supports an exemplary staff development plan, including a mentoring program for pre-tenured teachers and administrators. New staff members are also required to attend two days of new teacher orientation and, depending on classroom experience, up to five days of additional training. A series of after-school workshops by district staff are offered throughout the first year of teaching. The collective bargaining agreement with the Flemington-Raritan Education Association (FREA) also provides for required attendance at three full-day staff development programs, two half-day programs and eight 90-minute meetings. Our teachers average ten years of experience in the district, while the administrators average five years.

**Contacting the School District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Ms. Stephanie Hope, Business Administrator/Board Secretary, Flemington-Raritan Regional School District, 50 Court Street, Flemington, NJ 08822.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2011.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Assets and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$3,600,251.17	\$293,328.71	\$3,893,579.88
Receivables, net	1,086,977.42	20,586.06	1,107,563.48
Inventory		21,855.83	21,855.83
Interfund receivable	14,955.10		14,955.10
Restricted assets:			
Restricted cash and cash equivalents	73,612.72		73,612.72
Capital assets:			
Land and Construction in Progress	2,503,856.19		2,503,856.19
Other capital assets, net of depreciation	49,796,941.61	317,291.16	50,114,232.77
Total Assets	<u>57,076,594.21</u>	<u>653,061.76</u>	<u>57,729,655.97</u>
<b>LIABILITIES</b>			
Accounts payable	193,142.36	71,735.10	264,877.46
Payable to state government	5,402.87		5,402.87
Deferred revenue	43,554.44	9,401.00	52,955.44
Accrued interest on bonds	251,156.41		251,156.41
Noncurrent liabilities:			
Due within one year:			
Bonds payable	2,202,000.00		2,202,000.00
Due beyond one year:			
Compensated absences payable	957,067.49		957,067.49
Bonds and capital leases payable	40,005,908.00		40,005,908.00
Total liabilities	<u>43,658,231.57</u>	<u>81,136.10</u>	<u>43,739,367.67</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	9,865,912.95	317,291.16	10,183,204.11
Restricted for:			
Capital projects fund	268,947.61		268,947.61
Debt service fund	1,777.43		1,777.43
Other purposes	2,218,001.93		2,218,001.93
Unrestricted	1,063,722.72	254,634.50	1,318,357.22
Total net assets	<u>\$13,418,362.64</u>	<u>\$571,925.66</u>	<u>\$13,990,288.30</u>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 22,529,358.67	\$	\$ 1,605,002.17	\$ (20,924,356.50)	\$	\$ (20,924,356.50)
Special	8,061,100.15		1,270,084.71	(6,791,015.44)		(6,791,015.44)
Other Instruction	2,260,323.07		175,616.66	(2,084,706.41)		(2,084,706.41)
Support services:						
Tuition	139,445.03			(139,445.03)		(139,445.03)
Student & instruction related services	6,140,697.82		808,514.14	(5,332,183.68)		(5,332,183.68)
General administrative services	893,495.83		40,400.57	(853,095.26)		(853,095.26)
School administrative services	3,451,054.83		256,152.53	(3,194,902.30)		(3,194,902.30)
Central services	560,024.74		40,979.11	(519,045.63)		(519,045.63)
Administration information technology	390,293.38		30,954.55	(359,338.83)		(359,338.83)
Plant operations and maintenance	5,200,080.13		82,541.37	(5,117,538.76)		(5,117,538.76)
Pupil transportation	4,691,569.46		133,155.01	(4,558,414.45)		(4,558,414.45)
Interest on Long-Term Debt	1,932,076.93		234,482.00	(1,697,594.93)		(1,697,594.93)
Total governmental activities	<u>56,249,520.05</u>		<u>4,677,882.82</u>	<u>(51,571,637.22)</u>		<u>(51,571,637.22)</u>
Business-type activities						
Food Service	<u>1,020,243.58</u>	<u>809,571.33</u>	<u>272,339.57</u>		<u>61,667.32</u>	<u>61,667.32</u>
Total business-type activities	<u>1,020,243.58</u>	<u>809,571.33</u>	<u>272,339.57</u>		<u>61,667.32</u>	<u>61,667.32</u>
Total primary government	<u>\$ 57,269,763.63</u>	<u>\$ 809,571.33</u>	<u>\$ 4,950,222.39</u>	<u>\$ (51,571,637.22)</u>	<u>\$ 61,667.32</u>	<u>\$ (51,509,969.90)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 42,610,823.00	\$	\$ 42,610,823.00
Taxes levied for debt service				3,995,475.00		3,995,475.00
Federal and state aid not restricted				5,159,490.37		5,159,490.37
Miscellaneous income				1,287,231.53	1,018.40	1,288,249.93
Disposal of capital asset (net)				(17,293.34)	(13,466.69)	(30,760.03)
Total general revenues and special items				<u>53,035,726.56</u>	<u>-12,448.29</u>	<u>53,023,278.27</u>
Change in net assets				1,464,089.34	49,219.03	1,513,308.37
Net Assets - beginning				11,954,273.30	522,706.63	12,476,979.93
Net Assets ending				<u>\$ 13,418,362.64</u>	<u>\$ 571,925.66</u>	<u>\$ 13,990,288.30</u>

See accompanying notes to financial statements.

## **MAJOR FUND FINANCIAL STATEMENTS**

The individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by the fund type.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,593,430.46		\$ 78.28	\$ 6,742.43	\$ 3,600,251.17
Cash, Capital Reserve	73,612.72				73,612.72
Other receivables	163,581.35				163,581.35
Due from other funds	432,210.88				432,210.88
Receivables from other governments	408,233.31	246,215.13	268,947.63		923,396.07
<b>Total assets</b>	<b>\$ 4,671,068.72</b>	<b>\$ 246,215.13</b>	<b>\$ 269,025.91</b>	<b>\$ 6,742.43</b>	<b>\$ 5,193,052.19</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 171,297.76	\$ 21,844.60		\$	\$ 193,142.36
Interfund payables		190,200.63	227,055.15		417,255.78
Payable to state government		5,402.87			5,402.87
Deferred revenue	14,787.41	28,767.03			43,554.44
<b>Total liabilities</b>	<b>186,085.17</b>	<b>246,215.13</b>	<b>227,055.15</b>		<b>659,355.45</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Excess surplus	1,396,834.98				1,396,834.98
Excess surplus - Designated for Subsequent Years Expenditure	747,554.23				747,554.23
Capital reserve account	73,612.72				73,612.72
Capital projects			41,970.76		41,970.76
Debt service				1,777.43	1,777.43
<b>Committed to:</b>					
Designated for subsequent years expenditures	476,104.77			4,965.00	481,069.77
<b>Assigned to:</b>					
Other purpose- Encumbrances	941,443.60				941,443.60
<b>Unassigned:</b>					
<b>General fund</b>					
Undesignated	849,433.25				849,433.25
<b>Total fund balances</b>	<b>4,484,983.55</b>		<b>41,970.76</b>	<b>6,742.43</b>	<b>4,533,696.74</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,671,068.72</b>	<b>\$ 246,215.13</b>	<b>\$ 269,025.91</b>	<b>\$ 6,742.43</b>	

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

Total Fund Balances (Brought Forward)		\$4,533,696.74
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$77,354,280.84	
Accumulated Depreciation	<u>(25,053,483.04)</u>	52,300,797.80
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(957,067.49)	
Bonds Payable	(42,717,000.00)	
Deferred Amount on Issuance of Refunding Bonds	<u>509,092.00</u>	(43,164,975.49)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	<u>(251,156.41)</u>	<u>(251,156.41)</u>
Net Assets of Governmental Activities		<u><u>\$13,418,362.64</u></u>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$42,610,823.00			\$3,995,475.00	\$46,606,298.00
Tuition	65,825.61				65,825.61
Interest on capital reserve	1,087.87				1,087.87
Miscellaneous	1,214,549.52	\$62,249.98		1,777.21	1,278,576.71
Total revenues - local sources	43,892,286.00	62,249.98		3,997,252.21	47,951,788.19
State sources	8,524,155.64	12,751.36		234,482.00	8,771,389.00
Federal sources		1,007,725.54			1,007,725.54
Total revenues	52,416,441.64	1,082,726.88		4,231,734.21	57,730,902.73
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	15,352,121.79				15,352,121.79
Special instruction	5,238,328.73	691,100.89			5,929,429.62
Other Instruction	1,627,826.62				1,627,826.62
Support services:					
Tuition	139,445.03				139,445.03
Student & instruction related services	4,155,211.09	387,634.67			4,542,845.76
General administrative services	737,399.15				737,399.15
School administrative services	2,524,085.23				2,524,085.23
Central services	412,435.44				412,435.44
Administration information technology	278,808.27				278,808.27
Plant operations and maintenance	4,757,548.94				4,757,548.94
Pupil transportation	4,072,975.00				4,072,975.00
Unallocated benefits	12,118,092.19				12,118,092.19
Debt Service:					
Principal				2,359,000.00	2,359,000.00
Interest				1,881,462.76	1,881,462.76
Capital outlay	407,282.00	3,991.32	\$3,405.86		414,679.18
Total expenditures	51,821,559.48	1,082,726.88	3,405.86	4,240,462.76	57,148,154.98
Excess (deficiency) of revenues over (under) expenditures	594,882.16		(3,405.86)	(8,728.55)	582,747.75
Fund balances, July 1, 2010	3,890,101.39	-0-	45,376.62	15,470.98	3,950,948.99
Fund balances, June 30, 2011	\$4,484,983.55	\$-0-	\$41,970.76	\$6,742.43	\$4,533,696.74

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (from B-2)		\$582,747.75
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense		(1,748,714.81)
Disposition of capital assets, net of accumulated depreciation	(\$17,293.34)	
Capital outlays	414,679.18	
Less: Capital outlays not capitalized	<u>(139,026.79)</u>	
	<u>\$258,359.05</u>	258,359.05
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		2,359,000.00
<p>Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Deferred amortization on issuance of refunding bonds		(72,727.00)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		22,112.83
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).</p>		
Increase in Compensated Absences		<u>63,311.52</u>
Change in net assets of governmental activities		<u>\$1,464,089.34</u>

See accompanying notes to financial statements.

**OTHER FUNDS**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTAL ENTERPRISE</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$293,328.71	\$293,328.71
Intergovernmental receivables		
State	1,945.48	1,945.48
Federal	18,640.58	18,640.58
Inventories	21,855.83	21,855.83
	<u>335,770.60</u>	<u>335,770.60</u>
Total current assets		
Noncurrent assets:		
Furniture, machinery & equipment	742,985.00	742,985.00
Less accumulated depreciation	(425,693.84)	(425,693.84)
	<u>317,291.16</u>	<u>317,291.16</u>
Total noncurrent assets		
	<u>653,061.76</u>	<u>653,061.76</u>
Total assets		
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	71,735.10	71,735.10
Deferred revenue	9,401.00	9,401.00
	<u>81,136.10</u>	<u>81,136.10</u>
Total current liabilities		
	<u>81,136.10</u>	<u>81,136.10</u>
Total liabilities		
<b>NET ASSETS:</b>		
Invested in capital assets, net	317,291.16	317,291.16
Unrestricted	254,634.50	254,634.50
	<u>571,925.66</u>	<u>571,925.66</u>
Total net assets		

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTAL ENTERPRISE</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales	<u>\$809,571.33</u>	<u>\$809,571.33</u>
Total operating revenues	<u>809,571.33</u>	<u>809,571.33</u>
OPERATING EXPENSES:		
Salaries	295,630.68	295,630.68
Employee Benefits	42,299.12	42,299.12
Other Purchase Service (Administrative Expenses)	30,000.00	30,000.00
General Supplies	30,257.50	30,257.50
Miscellaneous Expenditures	77,660.94	77,660.94
Depreciation	44,500.49	44,500.49
Cost of sales	<u>499,894.85</u>	<u>499,894.85</u>
Total operating expenses	<u>1,020,243.58</u>	<u>1,020,243.58</u>
Operating (loss)	<u>(210,672.25)</u>	<u>(210,672.25)</u>
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	12,456.54	12,456.54
Federal Sources:		
National School Lunch Program	205,411.50	205,411.50
National food distribution commodities	54,471.53	54,471.53
Disposition of capital assets (net)	(13,466.69)	(13,466.69)
Interest on Investments	<u>1,018.40</u>	<u>1,018.40</u>
Total nonoperating revenues	<u>259,891.28</u>	<u>259,891.28</u>
Change in net assets	<u>49,219.03</u>	<u>49,219.03</u>
Total net assets - beginning	<u>522,706.63</u>	<u>522,706.63</u>
Total net assets - ending	<u><u>\$571,925.66</u></u>	<u><u>\$571,925.66</u></u>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTAL ENTERPRISE</u>
Cash flows from operating activities:		
Receipts from customers	\$809,571.33	\$809,571.33
Payments to employees	(295,630.68)	(295,630.68)
Payments to employee benefits	(42,299.12)	(42,299.12)
Payments to suppliers	(584,250.58)	(584,250.58)
Net cash provided by (used for) operating activities	<u>(112,609.05)</u>	<u>(112,609.05)</u>
Cash flows from noncapital financing activities:		
State Sources	11,886.34	11,886.34
Federal Sources	204,804.43	204,804.43
Net cash provided by noncapital financing activities	<u>216,690.77</u>	<u>216,690.77</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(23,675.00)	(23,675.00)
Net cash provided by (used for) capital and related financing activities	<u>(23,675.00)</u>	<u>(23,675.00)</u>
Cash flows from investing activities:		
Interest	1,018.40	1,018.40
Net cash provided by (used for) investing activities	<u>1,018.40</u>	<u>1,018.40</u>
Net increase in cash and cash equivalents	81,425.12	81,425.12
Cash and cash equivalents, July 1, 2010	<u>211,903.59</u>	<u>211,903.59</u>
Cash and cash equivalents, June 30, 2011	<u>\$293,328.71</u>	<u>\$293,328.71</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$210,672.25)	(\$210,672.25)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	44,500.49	44,500.49
Federal commodities	54,627.99	54,627.99
Change in assets and liabilities:		
(Increase) decrease in inventories	910.40	910.40
Increase (Decrease) in accounts payable	(1,975.68)	(1,975.68)
	<u>98,063.20</u>	<u>98,063.20</u>
Net cash provided by (used for) operating activities	<u>(\$112,609.05)</u>	<u>(\$112,609.05)</u>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Fund</u>	<u>Agency Funds</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$387,449.66	\$378,820.00
Intrafund receivable	5,966.27	
	<hr/>	<hr/>
Total Assets	<u>\$393,415.93</u>	<u>\$378,820.00</u>
<b>LIABILITIES:</b>		
Interfund payable		\$14,955.10
Intrafunds payable		5,966.27
Payroll deductions and withholdings		281,342.84
Due to student groups		76,555.79
	<hr/>	<hr/>
Total Liabilities	<hr/>	<u>378,820.00</u>
<b>NET ASSETS:</b>		
Held in trust for unemployment claims	<hr/>	<hr/>
Total Net Assets	<u>\$393,415.93</u>	<u>\$-0-</u>

See accompanying notes to financial statements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Fund</u>
ADDITIONS:	
Contributions:	
Other	\$75,000.00
Total contributions	75,000.00
Investment earnings:	
Interest	2,134.53
Net investment earnings	2,134.53
Total additions	77,134.53
DEDUCTIONS:	
Unemployment claims	67,115.74
Total deductions	67,115.74
Change in net assets	10,018.79
Net assets beginning of year	383,397.14
Net assets end of year	\$393,415.93

See accompanying notes to financial statements.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Flemington-Raritan Regional School District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**Reporting Entity**

The Flemington-Raritan Regional School District is a Type II District located in Hunterdon County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary schools, an intermediate school (Grades 5-6) and a middle school (Grades 7-8). There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation, Basis of Accounting**

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Basis of Presentation**

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

**General Fund** - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

**Special Revenue Fund** - - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

**Capital Projects Fund** - Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**Debt Service Fund** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

**Food Service Fund:**

Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**Fiduciary Fund Types**

**Agency Funds** – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

**Unemployment Compensation Insurance Trust Fund** - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

**Payroll and Student Activities Funds (Agency)** - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting – Measurement Focus**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Val Orem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Encumbrance Accounting**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Revenue**

Deferred revenue in the general and special revenue funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves**

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund amounts, constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures, capital reserve, maintenance reserve and emergency reserve.

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances and excess surplus in accordance with N.J.S.A. 18:F7.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues – Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items**

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund, deposits in the New Jersey Asset and Rebate Management Program and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board has entered into a Joint Investment Program with other New Jersey School Districts known as CLASS, or Cooperative Liquid Assets Securities System, whereby District investments are pooled with those of other participants to make investments which consist solely of those allowed under New Jersey statutes, as listed below. The District classifies its investment in CLASS as a cash equivalent as all balances are available for withdrawal daily.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Flemington-Raritan Regional School District had the following cash and cash equivalents at June 30, 2011.

<b>Fund Type:</b>	<b><u>Bank Balance</u></b>	<b><u>Management/ CLASS</u></b>	<b>Reconciling Items:</b>		<b><u>Reconciled Balance</u></b>
			<b><u>Additions</u></b>	<b><u>Deletions</u></b>	
Governmental	\$2,280,245.42	1,541,590.60		\$147,972.13	\$3,673,863.89
Proprietary	293,328.71				293,328.71
Fiduciary	<u>750,098.72</u>		<u>2,514.18</u>	<u>117,003.76</u>	<u>766,269.66</u>
	<u>\$3,323,672.85</u>	<u>\$1,541,590.60</u>	<u>\$2,514.18</u>	<u>\$264,975.89</u>	<u>\$4,733,462.26</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2010, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,000.00 was covered by Federal Depository Insurance and \$3,073,672.85 was covered by NJ GUDPA. The New Jersey Cash Management Fund and CLASS are investment pools and are not insured by either FDIC or GUDPA.

**Investments**

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2011 the District has \$655,135.47 on deposit with the New Jersey Cash Management Fund and \$1,017,115.65 on deposit with CLASS. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.



**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	1,416,109.26
Special		57,882.46
Support Services:		
Student & Instruction Related Services		75,894.22
General Administrative Services		9,617.93
School Administrative Services		48,789.14
Plant Operations & Maintenance		<u>140,421.80</u>
	\$	<u><u>1,748,714.81</u></u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 4: LONG-TERM DEBT**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2011, the District had bonds or notes authorized but not issued in the amount of \$386.00.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2011:

	Bonds Payable	Compensated Absences Payable	Total	Deferred Amount on Issuance of Refunding Bonds	Total
Balance June 30, 2010	\$ 45,076,000.00	\$ 1,020,379.01	\$ 46,096,379.01	\$ (581,819.00)	\$ 45,514,560.01
Deletions	<u>2,359,000.00</u>	<u>63,311.52</u>	<u>2,422,311.52</u>	<u>(72,727.00)</u>	<u>2,349,584.52</u>
Balance June 30, 2011	<u>\$ 42,717,000.00</u>	<u>\$ 957,067.49</u>	<u>\$ 43,674,067.49</u>	<u>\$ (509,092.00)</u>	<u>\$ 43,164,975.49</u>
Amounts due within one year	<u>\$ 2,202,000.00</u>				

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

**Bonds Payable**

The annual requirements to amortize all debt outstanding as of June 30, 2011, with interest payments on issued debt, are as follows:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,202,000.00	\$ 1,782,518.76	\$ 3,984,518.76
2013	2,045,000.00	1,681,613.76	3,726,613.76
2014	1,830,000.00	1,591,956.26	3,421,956.26
2015	1,905,000.00	1,516,121.26	3,421,121.26
2016	2,005,000.00	1,428,446.26	3,433,446.26
2017	2,095,000.00	1,340,846.26	3,435,846.26
2018	2,195,000.00	1,249,296.26	3,444,296.26
2019	2,295,000.00	1,161,496.26	3,456,496.26
2020	2,395,000.00	1,069,696.26	3,464,696.26
2021	2,510,000.00	973,896.26	3,483,896.26
2022	2,625,000.00	873,496.26	3,498,496.26
2023	2,750,000.00	765,891.26	3,515,891.26
2024	2,875,000.00	653,161.26	3,528,161.26
2025	3,010,000.00	534,592.50	3,544,592.50
2026	3,150,000.00	410,455.00	3,560,455.00
2027	3,300,000.00	279,760.00	3,579,760.00
2028	<u>3,530,000.00</u>	<u>141,200.00</u>	<u>3,671,200.00</u>
	<u>\$ 42,717,000.00</u>	<u>\$ 17,454,443.88</u>	<u>\$ 60,171,443.88</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 5: PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Vesting and Benefit Provisions** - Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF.

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2011	\$513,743.00	100.00%	\$513,743.00
2010	\$407,199.00	100.00%	\$407,199.00
2009	\$361,995.00	100.00%	\$361,995.00

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,711,306.27 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 6: OTHER POST-RETIREMENT BENEFITS**

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)**

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2011, 2010 and 2009 were \$1,579,017, \$1,497,964 and \$1,447,377, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 7: LITIGATION**

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

**NOTE 8: CONTINGENCIES**

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2010-2011 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 9: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains coverage through the School Alliance Insurance Fund and the Excess Property and Casualty Joint Insurance Fund covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the commercial coverage in any of the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table on the following page is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-11	\$ 2,134.53	\$ 75,000.00	\$ 67,115.74	\$ 393,415.93
2009-10	5,593.81	86,498.56	98,149.44	383,397.14
2008-09	5,453.84	78,086.93	41,922.33	389,454.21

**NOTE 10: FUND BALANCE APPROPRIATED**

General Fund – Of the \$4,484,983.55 General Fund fund balance at June 30, 2011, \$2,144,389.21 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$ 747,554.23 has been appropriated and included as anticipated revenue for the year ending June 30, 2012, \$73,612.72 has been restricted in the Capital Reserve Account; \$941,443.60 is assigned for encumbrances; \$476,104.77 is assigned fund balance designated for subsequent years expenditures; and \$849,433.25 is unassigned.

Debt Service Fund – Of the \$6,742.43 in Debt Service Fund fund balance at June 30, 2011, \$4,965.00 has been appropriated and included as anticipated revenue in the 2011-2012 Budget and \$1,777.43 is committed to debt service.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 11: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$2,144,389.21, of which \$1,396,834.98 resulted from fiscal year ending June 30, 2011 and \$747,554.23 resulted from the previous year.

General Fund Expenditures	
Fiscal Year Ended June 30, 2011	\$51,821,559.48
Less:	
On-behalf TPAF Pension and Social Security	<u>3,364,665.27</u>
Reimbursement	
Adjusted General Fund Expenditures	\$48,456,894.21
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2010-11 General Fund Expenditures	969,137.88
Add: Allowable Adjustments	324,287.37
Maximum Unreserved/Undesignated Fund Balance	1,293,425.25
Actual Unreserved/Undesignated Fund Balance	<u>2,690,260.23</u>
Excess Surplus - current year	<u>\$1,396,834.98</u>

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 12: INTERFUND RECEIVABLES AND PAYABLES**

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 432,210.88	
Special Revenue Fund		190,200.63
Capital Projects Fund		227,055.15
Payroll Agency Fund		14,955.10
	\$ 432,210.88	\$ 432,210.88

The interfund balance resulted from interest earned in the payroll agency fund that has not been turned over to the General Fund and a cash deficit in the Special Revenue Fund and the Capital Projects Fund.

**NOTE 13: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the District by the inclusion of \$1.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve as per N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A23A-14.1, by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C. 6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the capital reserve for withdrawal in subsequent school years. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

**Flemington-Raritan Regional School District**  
**Notes to the Financial Statements**  
**June 30, 2011**

**NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)**

**Capital Reserve Account**

Beginning balance, July 1, 2010	\$72,524.85
Interest earned	<u>1,087.87</u>
Ending balance, June 30, 2011	<u><u>\$73,612.72</u></u>

**NOTE 14: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2011.

**NOTE 15: INVENTORY**

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food and Supplies	<u>\$21,855.83</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 42,610,823.00	\$	\$ 42,610,823.00	\$ 42,610,823.00	\$
Tuition from LEAs				65,825.61	65,825.61
Interest earned on capital reserve funds				1,087.87	1,087.87
Unrestricted miscellaneous revenues	225,000.00		225,000.00	1,214,549.52	989,549.52
<b>Total revenues-local sources</b>	<b>42,835,823.00</b>		<b>42,835,823.00</b>	<b>43,892,286.00</b>	<b>1,056,463.00</b>
State sources:					
Extraordinary aid				300,719.00	300,719.00
Other state aids				139.00	139.00
Categorical special education aid	1,007,288.00		1,007,288.00	1,944,407.00	937,119.00
Equalization aid	3,577,336.00		3,577,336.00	2,640,217.00	(937,119.00)
Non public transportation aid				23,429.37	23,429.37
Reimbursed TPAF social security contributions (non-budgeted)				1,711,306.27	1,711,306.27
On-behalf TPAF post retirement medical (non-budgeted)				1,579,017.00	1,579,017.00
On-behalf TPAF pension contributions (non-budgeted)				74,342.00	74,342.00
<b>Total - state sources</b>	<b>4,584,624.00</b>		<b>4,584,624.00</b>	<b>8,273,576.64</b>	<b>3,688,952.64</b>
<b>Total revenues</b>	<b>47,420,447.00</b>		<b>47,420,447.00</b>	<b>52,165,862.64</b>	<b>4,745,415.64</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	739,350.00	(4,644.09)	734,705.91	734,184.78	521.13
Grades 1-5	8,529,604.00	(61,081.32)	8,468,522.68	8,465,912.94	2,609.74
Grades 6-8	5,022,922.00	246,615.21	5,269,537.21	5,254,856.98	14,680.23
Regular programs - home instruction:					
Salaries of teachers	3,000.00	(1,616.00)	1,384.00	1,334.00	50.00
Purchased Prof. Ed Services		1,616.00	1,616.00	1,130.50	485.50

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - Undistributed Instruction:					
Purchased Professional Educational Services	92,132.00	138,240.24	230,372.24	43,038.59	187,333.65
Other Purchased Services (400-500 series)	14,100.00	(6,235.33)	7,864.67	2,783.24	5,081.43
General Supplies	844,277.00	120,100.78	964,377.78	812,238.28	152,139.50
Textbooks	44,780.00	19,898.64	64,678.64	36,037.48	28,641.16
Other Objects	2,275.00	(1,570.00)	705.00	605.00	100.00
<b>Total Regular Programs</b>	<b>15,292,440.00</b>	<b>451,324.13</b>	<b>15,743,764.13</b>	<b>15,352,121.79</b>	<b>391,642.34</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	537,960.00	3,794.23	541,754.23	541,754.23	
Other Salaries for Instruction	298,042.00	35,347.61	333,389.61	333,389.61	
Other Purchased Services (400-500 series)	882.00		882.00		882.00
General Supplies	25,256.00	(3,000.00)	22,256.00	7,618.50	14,637.50
<b>Total Learning and/or Language Disabilities</b>	<b>862,140.00</b>	<b>36,141.84</b>	<b>898,281.84</b>	<b>882,762.34</b>	<b>15,519.50</b>
Multiple Disabilities:					
Salaries of Teachers	361,782.00	(22,719.00)	339,063.00	339,063.00	
Other Salaries for Instruction	347,792.00	(12,675.01)	335,116.99	335,116.99	
Other Purchased Services (400-500 series)	945.00		945.00		945.00
General Supplies	19,098.00	(2,000.00)	17,098.00	281.39	16,816.61
<b>Total Multiple Disabilities</b>	<b>729,617.00</b>	<b>(37,394.01)</b>	<b>692,222.99</b>	<b>674,461.38</b>	<b>17,761.61</b>
Resource Room/ Resource Center:					
Salaries of Teachers	1,704,659.00	(46,140.18)	1,658,518.82	1,658,518.82	
Other Salaries for Instruction	333,390.00	324,841.72	658,231.72	658,231.72	
Other Purchased Services (400-500 series)	2,460.00		2,460.00		2,460.00
General Supplies	50,014.00	(11,050.00)	38,964.00	9,934.12	29,029.88
Textbooks	2,560.00		2,560.00	283.16	2,276.84
<b>Total Resource Room/ Resource Center</b>	<b>2,093,083.00</b>	<b>267,651.54</b>	<b>2,360,734.54</b>	<b>2,326,967.82</b>	<b>33,766.72</b>
Autism:					
Salaries of Teachers	487,249.00	(92,415.51)	394,833.49	393,845.97	987.52
Other Salaries for Instruction	304,099.00	(82,759.35)	221,339.65	221,339.65	
Other Purchased Services (400-500 series)	630.00		630.00	607.27	22.73
General Supplies	11,968.00	(2,000.00)	9,968.00	907.46	9,060.54
<b>Total Autism</b>	<b>803,946.00</b>	<b>(177,174.86)</b>	<b>626,771.14</b>	<b>616,700.35</b>	<b>10,070.79</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Preschool Disabilities - Part Time:					
Salaries of Teachers	304,247.00	(113,139.93)	191,107.07	181,512.11	9,594.96
Other Salaries for Instruction	133,453.00	(34,834.54)	98,618.46	98,273.19	345.27
Other Purchased Services (400-500 series)	680.00		680.00	126.34	553.66
General Supplies	7,380.00		7,380.00	2,354.48	5,025.52
<b>Total Preschool Disabilities - Part Time</b>	<b>445,760.00</b>	<b>(147,974.47)</b>	<b>297,785.53</b>	<b>282,266.12</b>	<b>15,519.41</b>
Preschool Disabilities - Full Time:					
Other Salaries for Instruction	146,229.00	77,242.45	223,471.45	223,471.45	
Purchased Professional- Educational Services	14,350.00		14,350.00		14,350.00
Other Purchased Services (400-500 series)	250.00		250.00	100.00	150.00
General Supplies	5,372.00		5,372.00	1,196.51	4,175.49
<b>Total Preschool Disabilities - Full Time</b>	<b>346,268.00</b>	<b>123,373.21</b>	<b>469,641.21</b>	<b>450,965.72</b>	<b>18,675.49</b>
Home Instruction:					
Salaries of Teachers	3,000.00	1,205.00	4,205.00	4,205.00	
<b>Total Home Instruction</b>	<b>3,000.00</b>	<b>1,205.00</b>	<b>4,205.00</b>	<b>4,205.00</b>	
<b>Total Special Education - Instruction</b>	<b>5,283,814.00</b>	<b>65,828.25</b>	<b>5,349,642.25</b>	<b>5,238,328.73</b>	<b>111,313.52</b>
Basic Skills/ Remedial - Instruction:					
Salaries of Teachers	1,093,080.00	30,056.99	1,123,136.99	1,123,136.93	0.06
General Supplies	14,850.00	(649.96)	14,200.04	13,283.05	916.99
<b>Total Basic Skills/ Remedial - Instruction</b>	<b>1,107,930.00</b>	<b>29,407.03</b>	<b>1,137,337.03</b>	<b>1,136,419.98</b>	<b>917.05</b>
Bilingual education - instruction:					
Salaries of Teachers	349,860.00	(3,067.50)	346,792.50	346,760.75	31.75
Other Purchased Services (400-500 series)	1,485.00		1,485.00	1,229.75	255.25
General Supplies	6,976.00	436.83	7,412.83	7,412.83	
Other Objects	175.00		175.00	140.00	35.00
<b>Total Bilingual Education - Instruction</b>	<b>358,496.00</b>	<b>(2,630.67)</b>	<b>355,865.33</b>	<b>355,543.33</b>	<b>322.00</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	89,355.00	5,755.70	95,110.70	78,706.25	16,404.45
Supplies and Materials	400.00		400.00		400.00
Total School Sponsored Co/Extra Curricular Activities - Instruction	89,755.00	5,755.70	95,510.70	78,706.25	16,804.45
School Sponsored Athletics - Instruction:					
Salaries	48,879.00	(7,549.00)	41,330.00	33,179.00	8,151.00
Purchased Services (300-500 series)	14,630.00	89.20	14,719.20	14,692.23	26.97
Supplies and Materials	14,727.00	(3,954.20)	10,772.80	9,285.83	1,486.97
Total School Sponsored Athletics - Instruction	78,236.00	(11,414.00)	66,822.00	57,157.06	9,664.94
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the State - Regular	10,483.00	(10,483.00)			
Tuition to other LEAs within the State - Special		11,527.00	11,527.00		11,527.00
Tuition to County Voc. School District - Special		52,234.00	52,234.00	52,234.00	
Tuition to Private Schools for the Disabled W/ State	192,347.00	(81,380.25)	110,966.75	77,206.03	33,760.72
Tuition - Other		10,483.00	10,483.00	10,005.00	478.00
Total Undistributed Expenditures - Instruction	202,830.00	(17,619.25)	185,210.75	139,445.03	45,765.72
Undistributed Expenditures - Health Services:					
Salaries	595,835.00	(15,000.00)	580,835.00	564,789.97	16,045.03
Purchased Professional and Technical Services	12,500.00		12,500.00	3,715.00	8,785.00
Other Purchased Services (400-500 series)	3,980.00	(1,000.00)	2,980.00	1,146.96	1,833.04
Supplies and Materials	20,100.00	555.00	20,655.00	12,523.85	8,131.15
Total Undistributed Expenditures - Health Services	632,415.00	(15,445.00)	616,970.00	582,175.78	34,794.22
Undistributed Expend. - Speech, OT, PT & Related Services:					
Salaries	471,041.00	59,365.48	530,406.48	530,406.48	
Purchased professional - Educational Services	124,935.00	(17,436.80)	107,498.20	98,513.00	8,985.20
Supplies and materials	3,872.00		3,872.00	2,830.09	1,041.91
Total Undistributed Expend. - Speech, OT, PT & Related Services	599,848.00	41,928.68	641,776.68	631,749.57	10,027.11
Undistributed Expend. - Other Supp. Serv. -Students- Extra Services:					
Salaries	95,372.00	(95,067.17)	304.83		304.83
Total Undistributed Expend. - Other Supp. Serv. -Students- Extra Services	95,372.00	(95,067.17)	304.83		304.83

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	567,600.00		567,600.00	525,755.23	41,844.77
Salaries of Secretarial and Clerical Assistants	109,815.00	5,135.77	114,950.77	114,950.77	
Other Purchased Services (400-500 series)	2,250.00	(2,235.00)	15.00	15.00	
Supplies and Materials	6,880.00	(1,750.78)	5,129.22	4,475.57	653.65
<b>Total Undistributed Expenditures - Guidance</b>	<b>686,545.00</b>	<b>1,149.99</b>	<b>687,694.99</b>	<b>645,196.57</b>	<b>42,498.42</b>
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	797,413.00	(55,387.07)	742,025.93	742,025.93	
Salaries of Secretarial and Clerical Assistants	108,842.00	(4,215.13)	104,626.87	98,124.00	6,502.87
Purchased Professional - Educational Services	25,000.00	12,420.00	37,420.00	6,896.75	30,523.25
Miscellaneous Purchased Services (400-500 series o/than resid. cost)	47,000.00		47,000.00	14,288.62	32,711.38
Supplies and Materials	19,500.00	(2,000.00)	17,500.00	9,525.86	7,974.14
Other Objects	2,500.00		2,500.00		2,500.00
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>1,000,255.00</b>	<b>(49,182.20)</b>	<b>951,072.80</b>	<b>870,861.16</b>	<b>80,211.64</b>
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	232,402.00	(15,497.00)	216,905.00	214,288.96	2,616.04
Salaries of Other Professional Staff	81,120.00	(40,602.58)	40,517.42	34,626.18	5,891.24
Salaries of Secretarial and Clerical Assistants	30,275.00		30,275.00	29,393.68	881.32
Other Purchased Services (400-500 series)	42,842.00	(5,204.25)	37,637.75	20,598.67	17,039.08
Supplies and Materials	15,895.00	33,917.00	49,812.00	43,024.00	6,788.00
Other Objects	7,925.00	(2,613.00)	5,312.00	5,312.00	
<b>Total Undistributed Expenditures - Improvement of Instr. Serv.</b>	<b>410,459.00</b>	<b>(29,999.83)</b>	<b>380,459.17</b>	<b>347,243.49</b>	<b>33,215.68</b>
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	524,558.00		524,558.00	510,879.39	13,678.61
Purchased Professional and Technical Services	21,207.00	(5,503.00)	15,704.00	11,736.99	3,967.01
Other Purchased Services (400-500 series)	4,752.00	(3,687.00)	1,065.00	512.96	552.04
Supplies and Materials	112,492.00	(21,453.32)	91,038.68	88,366.02	2,672.66
Other Objects	12,527.00	3,596.00	16,123.00	16,086.75	36.25
<b>Total Undistributed Expend. - Educational Media Serv./School Library</b>	<b>675,536.00</b>	<b>(27,047.32)</b>	<b>648,488.68</b>	<b>627,582.11</b>	<b>20,906.57</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.- Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	334,803.00		334,803.00	327,059.82	7,743.18
Salaries of Other Professional Staff	61,592.00	(60,332.00)	1,260.00	1,260.00	
Salaries of Secretarial and Clerical Assistants	90,826.00		90,826.00	88,180.89	2,645.11
Other Salaries	12,500.00	5,401.00	17,901.00	9,129.00	8,772.00
Other Purchased Professional and Technical Services		4,160.70	4,160.70	4,160.70	
Other Purchased Services (400-500 series)	19,080.00	(2,675.00)	16,405.00	7,079.32	9,325.68
Supplies and Materials	16,900.00	(2,494.18)	14,405.82	13,532.68	873.14
<b>Total Undistributed Expend.- Instructional Staff Training Services</b>	<b>535,701.00</b>	<b>(55,939.48)</b>	<b>479,761.52</b>	<b>450,402.41</b>	<b>29,359.11</b>
Undistributed Expend.-Support Services-General Administration:					
Salaries	355,999.00	9,938.63	365,937.63	363,888.75	2,048.88
Legal Services	105,000.00	83,748.62	188,748.62	158,137.86	30,610.76
Other Purchased Professional Services	65,600.00	14,243.05	79,843.05	63,433.26	16,409.79
Purchased Technical Services	42,150.00	(4,020.00)	38,130.00	29,388.07	8,741.93
Communications/Telephone	209,911.00	(116,919.36)	92,991.64	50,903.63	42,088.01
Misc. Purchased Services (400-500 series, O/T 530 & 585)	37,075.00	(18,002.31)	19,072.69	10,926.29	8,146.40
General Supplies	16,500.00	15,620.00	32,120.00	16,388.01	15,731.99
BOE In-house Training/Meeting Supplies	900.00		900.00		900.00
Miscellaneous Expenditures	39,880.00	(14,353.05)	25,526.95	20,660.23	4,866.72
BOE Membership Dues and Fees	22,600.00	1,073.05	23,673.05	23,673.05	
<b>Total Undistributed Expend.-Support Services-General Administration</b>	<b>895,615.00</b>	<b>(28,671.37)</b>	<b>866,943.63</b>	<b>737,399.15</b>	<b>129,544.48</b>
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	1,397,912.00	(39,625.68)	1,358,286.32	1,350,282.56	8,003.76
Salaries of Other Professional Staff	115,086.00	11,152.89	126,238.89	126,179.72	59.17
Salaries of Secretarial and Clerical Assistants	798,124.00	33,145.70	831,269.70	830,708.94	560.76
Purchased Professional and Technical Services	18,460.00	4,843.89	23,303.89	5,367.47	17,936.42
Other Purchased Services (400-500 series)	158,290.00	3,703.44	161,993.44	122,809.86	39,183.58
Supplies and Materials	83,181.00	2,813.95	85,994.95	74,472.68	11,522.27
Other Objects	17,009.00	327.00	17,336.00	14,264.00	3,072.00
<b>Total Undistributed Expend.-Support Services- School Administration</b>	<b>2,588,062.00</b>	<b>16,361.19</b>	<b>2,604,423.19</b>	<b>2,524,085.23</b>	<b>80,337.96</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Central Services					
Salaries	394,521.00	(21,499.42)	373,021.58	369,099.69	3,921.89
Purchased Professional Services	11,000.00	22,600.00	33,600.00	30,990.35	2,609.65
Purchased Technical Services	2,550.00	(2,550.00)			
Miscellaneous Purchased Services (400-500 series, O/T 594)	3,000.00	(3,000.00)			
Supplies and Materials	18,000.00	16,280.00	34,280.00	7,885.10	26,394.90
Other Objects	7,500.00		7,500.00	4,460.30	3,039.70
<b>Total Undistributed Expend. - Central Services</b>	<b>436,571.00</b>	<b>11,830.58</b>	<b>448,401.58</b>	<b>412,435.44</b>	<b>35,966.14</b>
Undistributed Expend. - Admin. Info. Technology:					
Salaries	280,089.00		280,089.00	278,808.27	1,280.73
<b>Total Undistributed Expend. - Admin. Info. Technology</b>	<b>280,089.00</b>		<b>280,089.00</b>	<b>278,808.27</b>	<b>1,280.73</b>
Undistributed Expend.-Required Maintenance for School Facilities:					
Salaries	612,387.00	(168,427.00)	443,960.00	425,766.25	18,193.75
Cleaning, Repair and Maintenance Services	414,363.00	518,913.33	933,276.33	730,085.70	203,190.63
General Supplies	154,700.00	(10,027.19)	144,672.81	132,860.49	11,812.32
<b>Total Undistributed Expend.-Required Maintenance for School Facilities</b>	<b>1,181,450.00</b>	<b>340,459.14</b>	<b>1,521,909.14</b>	<b>1,288,712.44</b>	<b>233,196.70</b>
Undistributed Expend.-Custodial Services:					
Salaries	152,892.00	170,040.64	322,932.64	317,685.60	5,247.04
Purchased Professional and Technical Services	4,000.00	24,822.00	28,822.00	28,170.10	651.90
Cleaning, Repair and Maintenance Services	1,459,233.00	46,400.00	1,505,633.00	1,492,085.31	13,547.69
Other Purchased Property Services	150,000.00	(22,600.00)	127,400.00	125,493.43	1,906.57
Insurance	157,097.00	(34,721.00)	122,376.00	122,376.00	
Miscellaneous Purchased Services	45,050.00	(12,000.00)	33,050.00	22,668.90	10,381.10
General Supplies	145,040.00	9,380.00	154,420.00	134,925.63	19,494.37
Energy ( Electricity)	1,587,300.00	(309,568.59)	1,277,731.41	1,216,865.53	60,865.88
Other Objects	7,878.00	773.00	8,651.00	8,566.00	85.00
<b>Total Undistributed Expend.-Custodial Services:</b>	<b>3,708,490.00</b>	<b>(127,473.95)</b>	<b>3,581,016.05</b>	<b>3,468,836.50</b>	<b>112,179.55</b>
<b>Total Undistributed Expend.- Oper. &amp; Maintenance of Plant Serv.</b>	<b>4,889,940.00</b>	<b>212,985.19</b>	<b>5,102,925.19</b>	<b>4,757,548.94</b>	<b>345,376.25</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Salaries for Pupil Transportation (bet. home & school)-Reg	815,010.00		815,010.00	815,010.00	
Salaries for Pupil Transportation (bet. home & school)-Special Ed.	352,750.00		352,750.00	352,750.00	
Salaries for Pupil Transportation (other than bet. home & school)	21,607.00	9,963.00	31,570.00	31,570.00	
Management Fee - ESC Transportation Programs	11,000.00		11,000.00	11,000.00	
Other Purchased Professional and Technical Services	39,300.00		39,300.00	39,300.00	
Cleaning, Repair and Maintenance Services	18,450.00		18,450.00	18,450.00	
Contracted Services (between home and school) - Vendors	1,269,070.00		1,269,070.00	1,269,070.00	
Contracted Services (other than between home and school) - Vendors	49,800.00		49,800.00	49,800.00	
Contracted Services - Special Ed. Students- Vendors	18,900.00		18,900.00	18,900.00	
Contracted Services - Special Ed. Students - ESC & CTSA	200,000.00		200,000.00	200,000.00	
Contracted Services - Aid in Lieu of Payments- Non-Public Schools	128,800.00		128,800.00	128,800.00	
Miscellaneous Purchased Services - Transportation	81,800.00		81,800.00	81,800.00	
General Supplies	183,400.00		183,400.00	183,400.00	
Other Objects	873,125.00		873,125.00	873,125.00	
<b>Total Undistributed Expend.-Student Transportation Services</b>	<b>4,063,012.00</b>	<b>9,963.00</b>	<b>4,072,975.00</b>	<b>4,072,975.00</b>	
Unallocated Benefits:					
Group Insurance	18,700.00	(37.50)	18,662.50	13,723.79	4,938.71
Social Security Contributions - Other	560,000.00	139.00	560,139.00	517,958.29	42,180.71
Other Retirement Contributions - Regular	407,199.00	113,456.50	520,655.50	520,655.03	0.47
Unemployment Compensation	75,000.00		75,000.00	75,000.00	
Workmen's Compensation	191,995.00	(10,340.00)	181,655.00	164,611.00	17,044.00
Health Benefits	6,835,909.00	382,002.72	7,217,911.72	7,207,786.76	10,124.96
Tuition Reimbursement	224,400.00	5,849.75	230,249.75	148,942.80	81,306.95
Other Employee Benefits	12,340.00	93,101.75	105,441.75	104,749.25	692.50
<b>Total Unallocated Benefits</b>	<b>8,325,543.00</b>	<b>584,172.22</b>	<b>8,909,715.22</b>	<b>8,753,426.92</b>	<b>156,288.30</b>
<b>Total Personal Services - Employee</b>	<b>8,325,543.00</b>	<b>584,172.22</b>	<b>8,909,715.22</b>	<b>8,753,426.92</b>	<b>156,288.30</b>
Reimbursed TPAF social security contributions (non-budgeted)				1,711,306.27	(1,711,306.27)
On-behalf TPAF post retirement medical (non-budgeted)				1,579,017.00	(1,579,017.00)
On-behalf TPAF pension contributions (non-budgeted)				74,342.00	(74,342.00)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>26,317,793.00</b>	<b>559,419.23</b>	<b>26,877,212.23</b>	<b>29,196,000.34</b>	<b>(2,318,788.11)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>48,528,464.00</b>	<b>1,097,689.67</b>	<b>49,626,153.67</b>	<b>51,414,277.48</b>	<b>(1,788,123.81)</b>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY					
EQUIPMENT:					
Grades 6-8	2,000.00	(2,000.00)			
Undistributed:					
Undistributed Expenditures - Central Services	3,476.00		3,476.00		3,476.00
Undistributed Expenditures - Admin. Info. Tech.		120,649.10	120,649.10		120,649.10
Undist. Expend. - Student Trans - Non-Inst. Equip.	24,500.00		24,500.00	24,500.00	
School Buses - Regular	170,000.00		170,000.00	170,000.00	
School Buses - Special	45,000.00		45,000.00	45,000.00	
TOTAL EQUIPMENT	<u>244,976.00</u>	<u>118,649.10</u>	<u>363,625.10</u>	<u>239,500.00</u>	<u>124,125.10</u>
Facilities Acquisition and Construction Services:					
Construction Services		118,500.00	118,500.00	104,215.00	14,285.00
Other Objects	63,567.00		63,567.00	63,567.00	
	<u>63,567.00</u>	<u>118,500.00</u>	<u>182,067.00</u>	<u>167,782.00</u>	<u>14,285.00</u>
TOTAL CAPITAL OUTLAY	<u>308,543.00</u>	<u>237,149.10</u>	<u>545,692.10</u>	<u>407,282.00</u>	<u>138,410.10</u>
TOTAL EXPENDITURES	<u>48,837,007.00</u>	<u>1,334,838.77</u>	<u>50,171,845.77</u>	<u>51,821,559.48</u>	<u>(1,649,713.71)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,416,560.00)</u>	<u>(1,334,838.77)</u>	<u>(2,751,398.77)</u>	<u>344,303.16</u>	<u>3,095,701.93</u>
Fund Balances, July 1,	<u>2,788,473.07</u>	<u>120,162.47</u>	<u>2,908,635.54</u>	<u>4,584,672.39</u>	<u>1,549,126.55</u>
Fund Balances, June 30,	<u>\$ 1,371,913.07</u>	<u>\$ (1,214,676.30)</u>	<u>\$ 157,236.77</u>	<u>\$ 4,928,975.55</u>	<u>\$ 4,644,828.48</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 73,612.72	
Excess Surplus - Designated for Subsequent Year's Expenditures				747,554.23	
Excess Surplus - Current Year				1,396,834.98	
Committed Fund Balance:					
Designated for Subsequent Year's Expenditures				476,104.77	
Assigned Fund Balance:					
Year-end Encumbrances				941,443.60	
Unassigned Fund Balance				<u>1,293,425.25</u>	
				4,928,975.55	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(443,992.00)</u>	
Fund Balance per Governmental Funds (GAAP)				\$ <u><u>4,484,983.55</u></u>	

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State Aid	\$	\$ 18,427.44	\$ 18,427.44	\$ 12,729.13	\$ 5,698.31
Federal Aid	877,913.00	778,135.62	1,656,048.62	978,403.08	677,645.54
Local Sources		26,796.51	26,796.51	14,749.98	12,046.53
Total Revenues	<u>877,913.00</u>	<u>823,359.57</u>	<u>1,701,272.57</u>	<u>1,005,882.19</u>	<u>695,390.38</u>
EXPENDITURES:					
Instruction:					
Salaries	185,407.35	39,394.53	224,801.88	202,537.99	22,263.89
Purchased Professional and Technical Services	453,338.15	(380,382.15)	72,956.00	51,049.70	21,906.30
Purchased Professional - Educational Services		4,355.66	4,355.66	512.29	3,843.37
Other Purchased Services (400-500 Series)	100,937.85	462,126.10	563,063.95	337,100.83	225,963.12
General Supplies	35,733.30	92,242.88	127,976.18	21,306.08	106,670.10
Textbooks		2,103.00	2,103.00	1,749.31	353.69
Total Instruction	<u>775,416.65</u>	<u>219,840.02</u>	<u>995,256.67</u>	<u>614,256.20</u>	<u>381,000.47</u>
Support Services:					
Salaries	27,644.00	41,353.99	68,997.99	31,580.32	37,417.67
Personal Services - Employee Benefits	25,109.00	48,309.89	73,418.89	36,320.15	37,098.74
Purchased Professional and Technical Services	29,696.45	354,904.53	384,600.98	260,319.63	124,281.35
Purchased Professional - Educational Services		16,244.00	16,244.00	10,467.53	5,776.47
Other Purchased Services (400-500 Series)	16,810.75	4,964.25	21,775.00	15,440.00	6,335.00
Supplies and Materials	3,236.15	127,742.89	130,979.04	33,507.04	97,472.00
Total Support Services	<u>102,496.35</u>	<u>593,519.55</u>	<u>696,015.90</u>	<u>387,634.67</u>	<u>308,381.23</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		10,000.00	10,000.00	3,991.32	6,008.68
Total Facilities Acquisition and Construction Services		<u>10,000.00</u>	<u>10,000.00</u>	<u>3,991.32</u>	<u>6,008.68</u>
Total Expenditures	<u>877,913.00</u>	<u>823,359.57</u>	<u>1,701,272.57</u>	<u>1,005,882.19</u>	<u>695,390.38</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RS!  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$52,165,862.64	\$1,005,882.19
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	76,844.69
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(443,992.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	694,571.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$52,416,441.64	\$1,082,726.88
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$51,821,559.48	\$1,005,882.19
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	76,844.69
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$51,821,559.48	\$1,082,726.88

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA PSH CURRENT YEAR	IDEA BASIC CURRENT YEAR	IDEA BASIC PRIOR YEAR	ARRA IDEA BASIC CURRENT YEAR	TITLE I CURRENT YEAR
Revenues:					
State Aid					
Federal Aid					
Local Sources	\$33,851.00	\$402,608.22	\$41,994.05	\$318,618.05	\$99,676.00
<b>Total Revenues</b>	<b>\$33,851.00</b>	<b>\$402,608.22</b>	<b>\$41,994.05</b>	<b>\$318,618.05</b>	<b>\$99,676.00</b>
Expenditures:					
Instruction:					
Salaries	\$28,209.00	\$27,520.00	\$10,496.38	\$38,449.00	\$82,887.00
Purchased Professional and Technical Services		49,962.20	1,087.50		
Purchased Professional - Educational Services					
Other purchased services		101,904.07	2,136.52	225,060.24	
General Supplies		2,296.97		3,431.31	
Textbooks					
<b>Total Instruction</b>	<b>28,209.00</b>	<b>181,683.24</b>	<b>13,720.40</b>	<b>266,940.55</b>	<b>82,887.00</b>
Support Services:					
Salaries				2,400.00	
Personal Services - Employee Benefits	5,642.00	3,825.00	3,825.00		16,789.00
Purchased Professional and Technical Services		200,000.00	16,511.13	39,208.50	
Purchased Professional - Educational Services					
Other Purchased Services (400-500 Series)					
Supplies and Materials		13,108.66	7,937.52	10,069.00	
<b>Total Support Services</b>	<b>5,642.00</b>	<b>216,933.66</b>	<b>28,273.65</b>	<b>51,677.50</b>	<b>16,789.00</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment		3,991.32			
<b>Total Facilities Acquisition and Construction Services</b>		<b>3,991.32</b>			
<b>Total Expenditures</b>	<b>\$33,851.00</b>	<b>\$402,608.22</b>	<b>\$41,994.05</b>	<b>\$318,618.05</b>	<b>\$99,676.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE I PRIOR YEAR	TITLE II -A CURRENT YEAR	TITLE II -A PRIOR YEAR	TITLE II -D CURRENT YEAR	TITLE III CURRENT YEAR	TITLE III PRIOR YEAR
Revenues:						
State Aid						
Federal Aid	\$3,220.78	\$26,553.86	\$21,182.41	\$150.00	\$17,927.11	\$9,011.97
Local Sources						
<b>Total Revenues</b>	<b>\$3,220.78</b>	<b>\$26,553.86</b>	<b>\$21,182.41</b>	<b>\$150.00</b>	<b>\$17,927.11</b>	<b>\$9,011.97</b>
Expenditures:						
Instruction:						
Salaries	\$2,272.07				\$4,611.00	\$7,728.54
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Other purchased services						
General Supplies					9,071.36	121.46
Textbooks						
<b>Total Instruction</b>	<b>2,272.07</b>				<b>13,682.36</b>	<b>7,850.00</b>
Support Services:						
Salaries	64.00	\$4,272.00	\$17,585.00		4,244.75	
Personal Services - Employee Benefits	884.71		3,597.41			1,161.97
Purchased Professional and Technical Services		4,600.00				
Purchased Professional - Educational Services						
Other Purchased Services (400-500 Series)		15,290.00		\$150.00		
Supplies and Materials		2,391.86				
<b>Total Support Services</b>	<b>948.71</b>	<b>26,553.86</b>	<b>21,182.41</b>	<b>150.00</b>	<b>4,244.75</b>	<b>1,161.97</b>
Facilities Acquisition and Construction Services:						
Instructional Equipment						
<b>Total Facilities Acquisition and Construction Services</b>						
<b>Total Expenditures</b>	<b>\$3,220.78</b>	<b>\$26,553.86</b>	<b>\$21,182.41</b>	<b>\$150.00</b>	<b>\$17,927.11</b>	<b>\$9,011.97</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	TITLE IV PRIOR YEAR	NONPUBLIC TEXTBOOK	NONPUBLIC NURSING	CORRECTIVE SPEECH	EXAMINATION & CLASSIFICATION
Revenues:					
State Aid		\$1,749.31	\$2,088.00	\$1,408.18	\$6,693.42
Federal Aid	\$3,609.63				
Local Sources					
<b>Total Revenues</b>	<b>\$3,609.63</b>	<b>\$1,749.31</b>	<b>\$2,088.00</b>	<b>\$1,408.18</b>	<b>\$6,693.42</b>
Expenditures:					
Instruction:					
Salaries					
Purchased Professional and Technical Services					
Purchased Professional - Educational Services					
Other purchased services					
General Supplies					
Textbooks		\$1,749.31			
<b>Total Instruction</b>		<b>1,749.31</b>			
Support Services:					
Salaries	\$3,014.57				
Personal Services - Employee Benefits	595.06				
Purchased Professional and Technical Services					
Purchased Professional - Educational Services			\$2,088.00	\$1,408.18	\$6,693.42
Other Purchased Services (400-500 Series)					
Supplies and Materials					
<b>Total Support Services</b>	<b>3,609.63</b>		<b>2,088.00</b>	<b>1,408.18</b>	<b>6,693.42</b>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<b>\$3,609.63</b>	<b>\$1,749.31</b>	<b>\$2,088.00</b>	<b>\$1,408.18</b>	<b>\$6,693.42</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

93

	SUPPLEMENTAL INSTRUCTION	ESL	LOCAL PROJECTS	TOTAL
Revenues:				
State Aid	\$277.93	\$512.29		\$12,729.13
Federal Aid				978,403.08
Local Sources			\$14,749.98	14,749.98
<b>Total Revenues</b>	<b>\$277.93</b>	<b>\$512.29</b>	<b>\$14,749.98</b>	<b>\$1,005,882.19</b>
Expenditures:				
Instruction:				
Salaries			\$365.00	\$202,537.99
Purchased Professional and Technical Services				51,049.70
Purchased Professional - Educational Services		\$512.29		512.29
Other purchased services			8,000.00	337,100.83
General Supplies			6,384.98	21,306.08
Textbooks				1,749.31
<b>Total Instruction</b>		<b>512.29</b>	<b>14,749.98</b>	<b>614,256.20</b>
Support Services:				
Salaries				31,580.32
Personal Services - Employee Benefits				36,320.15
Purchased Professional and Technical Services				260,319.63
Purchased Professional - Educational Services	\$277.93			10,467.53
Other Purchased Services (400-500 Series)				15,440.00
Supplies and Materials				33,507.04
<b>Total Support Services</b>	<b>277.93</b>			<b>387,634.67</b>
Facilities Acquisition and Construction Services:				
Instructional Equipment				3,991.32
<b>Total Facilities Acquisition and Construction Services</b>				<b>3,991.32</b>
<b>Total Expenditures</b>	<b>\$277.93</b>	<b>\$512.29</b>	<b>\$14,749.98</b>	<b>\$1,005,882.19</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2011

Expenditures and Other Financing Uses:	
Supplies	<u>(\$94.14)</u>
Total expenditures	<u>(94.14)</u>
Excess (deficiency) of revenues over (under) expenditures	94.14
Fund balance - beginning	<u>42,262.62</u>
Fund balance - ending	<u><u>\$42,356.76</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 JP CASE MIDDLE SCHOOL  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SCC Grant	\$ 5,976,614.00	\$	\$ 5,976,614.00	\$ 5,976,614.00
Bond proceeds and transfers	33,248,000.00		33,248,000.00	33,248,000.00
Total revenues	<u>39,224,614.00</u>		<u>39,224,614.00</u>	<u>39,224,614.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	1,377,858.34		1,377,858.34	1,377,858.34
Construction services	33,708,865.37		33,708,865.37	33,716,058.93
Supplies	2,106,232.55	(94.14)	2,106,138.41	2,106,232.55
Land and Improvements	1,869,848.76		1,869,848.76	1,870,696.64
Equipment purchases	119,546.36		119,546.36	119,546.36
Other Expenditures				34,221.18
Total expenditures	<u>39,182,351.38</u>	<u>(94.14)</u>	<u>39,182,257.24</u>	<u>39,224,614.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>42,262.62</u>	\$ <u>94.14</u>	\$ <u>42,356.76</u>	
<b>Additional project information:</b>				
Project Number	1510-N01-02-0249-00			
Grant Date	3/31/2003			
Bond Authorization Date	9/24/2002			
Bonds Authorized	33,248,386.00			
Bonds Issued	33,248,386.00			
SCC Amount	5,976,614.00			
Original Authorized Cost	39,225,000.00			
Additional Authorized Cost				
Revised Authorized Cost	39,225,000.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	99%			
Original target completion date	7/1/2005			
Revised target completion date	Open			

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY STATEMENT OF PROJECT EXPENDITURES  
 AS OF JUNE 30, 2011

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>CANCELLED</u>	<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>		
Acquire land, construct, furnish and equip a new middle school	9/24/2002	\$39,225,000.00	\$39,182,737.38	(\$94.14)		\$42,356.76
Totals		<u>\$39,225,000.00</u>	<u>\$39,182,737.38</u>	<u>(\$94.14)</u>		<u>\$42,356.76</u>

Reconciliation to GAAP:

Unexpended project balance	\$42,356.76
Bonds Authorized but not Issued	<u>(386.00)</u>
Unreserved capital fund balance - GAAP	<u>\$41,970.76</u>

## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund:** This fund provides for the operation of food services within the District.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2011

	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$293,328.71	\$293,328.71
Intergovernmental Receivables:		
State	1,945.48	1,945.48
Federal	18,640.58	18,640.58
Inventories	<u>21,855.83</u>	<u>21,855.83</u>
Total current assets	<u>335,770.60</u>	<u>335,770.60</u>
Noncurrent assets:		
Furniture, machinery & equipment	742,985.00	742,985.00
Less accumulated depreciation	<u>(425,693.84)</u>	<u>(425,693.84)</u>
Total noncurrent assets	<u>317,291.16</u>	<u>317,291.16</u>
Total assets	<u>653,061.76</u>	<u>653,061.76</u>
LIABILITIES:		
Current liabilities:		
Accounts payable	71,735.10	71,735.10
Deferred revenue	<u>9,401.00</u>	<u>9,401.00</u>
Total current liabilities	<u>81,136.10</u>	<u>81,136.10</u>
Total liabilities	<u>81,136.10</u>	<u>81,136.10</u>
NET ASSETS:		
Invested in capital assets, net	317,291.16	317,291.16
Unrestricted	<u>254,634.50</u>	<u>254,634.50</u>
Total net assets	<u>\$571,925.66</u>	<u>\$571,925.66</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES:</b>		
Charges for services:		
Daily sales	\$809,571.33	\$809,571.33
Total operating revenues	<u>809,571.33</u>	<u>809,571.33</u>
<b>OPERATING EXPENSES:</b>		
Salaries	295,630.68	295,630.68
Employee Benefits	42,299.12	42,299.12
Other Purchase Service (Administrative Expenses)	30,000.00	30,000.00
General Supplies	30,257.50	30,257.50
Miscellaneous Expenditures	77,660.94	77,660.94
Depreciation	44,500.49	44,500.49
Cost of sales	499,894.85	499,894.85
Total operating expenses	<u>1,020,243.58</u>	<u>1,020,243.58</u>
Operating income (loss)	<u>(210,672.25)</u>	<u>(210,672.25)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
State Sources:		
State School Lunch Program	12,456.54	12,456.54
Federal Sources:		
National School Lunch Program	205,411.50	205,411.50
National food distribution commodities	54,471.53	54,471.53
Disposition of capital assets (net)	(13,466.69)	(13,466.69)
Interest on Investments	1,018.40	1,018.40
Total nonoperating revenues	<u>259,891.28</u>	<u>259,891.28</u>
Change in net assets	49,219.03	49,219.03
Total net assets - July 1, 2010	<u>522,706.63</u>	<u>522,706.63</u>
Total net assets - June 30, 2011	<u>\$571,925.66</u>	<u>\$571,925.66</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
Cash flows from operating activities:		
Receipts from customers	\$809,571.33	\$809,571.33
Payments to employees	(295,630.68)	(295,630.68)
Payments to employee benefits	(42,299.12)	(42,299.12)
Payments to suppliers	(584,250.58)	(584,250.58)
	<hr/>	<hr/>
Net cash provided by (used for) operating activities)	(112,609.05)	(112,609.05)
	<hr/>	<hr/>
Cash flows from noncapital financing activities:		
State Sources	11,886.34	11,886.34
Federal Sources	204,804.43	204,804.43
	<hr/>	<hr/>
Net cash provided by noncapital financing activities:	216,690.77	216,690.77
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(23,675.00)	(23,675.00)
	<hr/>	<hr/>
Net cash provided by (used for) capital and related financing activities	(23,675.00)	(23,675.00)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest	1,018.40	1,018.40
	<hr/>	<hr/>
Net cash provided by (used for) investing activities	1,018.40	1,018.40
	<hr/>	<hr/>
Net increase in cash and cash equivalents	81,425.12	81,425.12
	<hr/>	<hr/>
Cash and cash equivalents, July 1, 2010	211,903.59	211,903.59
	<hr/>	<hr/>
Cash and cash equivalents, June 30, 2011	\$293,328.71	\$293,328.71
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$210,672.25)	(\$210,672.25)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	44,500.49	44,500.49
Federal commodities	54,627.99	54,627.99
Change in assets and liabilities:		
(Increase) decrease in inventories	910.40	910.40
Increase (Decrease) in accounts payable	(1,975.68)	(1,975.68)
	<hr/>	<hr/>
	98,063.20	98,063.20
	<hr/>	<hr/>
Net cash provided by (used for) operating activities	(\$112,609.05)	(\$112,609.05)
	<hr/> <hr/>	<hr/> <hr/>

## FIDUCIARY FUND DETAIL STATEMENTS

**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

**Unemployment Compensation Insurance Fund:** This trust fund is used to pay unemployment compensation claims as they arise.

**Agency Funds are used to account for assets held by the district as an agent for another party:**

**Student Activity Fund:** This agency fund is used to account for student funds held at the schools

**Payroll Fund:** This agency fund is used to account for the payroll transactions of the school district.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
TRUST AND AGENCY FUNDS  
JUNE 30, 2011

	<u>AGENCY FUNDS</u>		<u>TRUST FUNDS</u>	<u>TOTALS</u>
	<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>	<u>UNEMPLOYMENT COMPENSATION</u>	
<b>ASSETS:</b>				
Cash and cash equivalents	\$76,555.79	\$302,264.21	\$387,449.66	\$766,269.66
Intrafunds receivable			5,966.27	5,966.27
<b>Total assets</b>	<u>\$76,555.79</u>	<u>\$302,264.21</u>	<u>\$393,415.93</u>	<u>\$772,235.93</u>
<b>LIABILITIES:</b>				
Interfunds Payable		\$14,955.10		\$14,955.10
Intrafunds Payable		5,966.27		5,966.27
Payroll deductions and withholdings		281,342.84		281,342.84
Due to student groups	\$76,555.79			76,555.79
<b>Total liabilities</b>	<u>76,555.79</u>	<u>302,264.21</u>		<u>378,820.00</u>
<b>NET ASSETS:</b>				
Held in trust for unemployment claims			\$393,415.93	393,415.93
<b>Total net assets</b>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$393,415.93</u>	<u>\$393,415.93</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
ADDITIONS:		
Contributions:		
Other	\$75,000.00	\$75,000.00
Total contributions	<u>75,000.00</u>	<u>75,000.00</u>
Investment earnings:		
Interest	2,134.53	2,134.53
Net investment earnings	<u>2,134.53</u>	<u>2,134.53</u>
Total additions	<u>77,134.53</u>	<u>77,134.53</u>
DEDUCTIONS:		
Unemployment claims	67,115.74	67,115.74
Total deductions	<u>67,115.74</u>	<u>67,115.74</u>
Change in net assets	10,018.79	10,018.79
Net assets end of year	<u>383,397.14</u>	<u>383,397.14</u>
Net assets end of year	<u>\$393,415.93</u>	<u>\$393,415.93</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
J.P. Case Student Fund	\$39,346.01	\$176,374.99	\$172,743.46	\$42,977.54
Athletic Fund	7.89	15,143.11	15,145.97	5.03
Flem/Raritan Student Fund	<u>25,148.51</u>	<u>61,331.51</u>	<u>52,906.80</u>	<u>33,573.22</u>
Total all schools	<u><u>\$64,502.41</u></u>	<u><u>\$252,849.61</u></u>	<u><u>\$240,796.23</u></u>	<u><u>\$76,555.79</u></u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>BALANCE</u> <u>JULY 1, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$233,343.71</u>	<u>\$32,604,075.13</u>	<u>\$32,535,154.63</u>	<u>\$302,264.21</u>
Total assets	<u>233,343.71</u>	<u>32,604,075.13</u>	<u>32,535,154.63</u>	<u>302,264.21</u>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	209,246.09	13,407,160.96	13,335,064.21	281,342.84
Net payroll		19,057,171.72	19,057,171.72	
Interfunds payable	13,926.15	1,465.95	437.00	14,955.10
Intrafund payable	<u>10,171.47</u>	<u>138,276.50</u>	<u>142,481.70</u>	<u>5,966.27</u>
Total liabilities	<u>\$233,343.71</u>	<u>\$32,604,075.13</u>	<u>\$32,535,154.63</u>	<u>\$302,264.21</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and capital leases.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2011

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>MATURITIES</u>		<u>RATE OF INTEREST</u>	<u>BALANCE JULY 1, 2010</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2011</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Construction of a New School House	7/15/90	\$3,657,000.00				\$244,000.00	\$244,000.00	
Additions, Alterations and Renovations to the Reading-Fleming Building	6/15/92	4,900,000.00	6/1/2012	\$347,000.00	6.000%	672,000.00	325,000.00	\$347,000.00
Additions, Alterations and Renovations to the Reading-Fleming Building	5/15/93	2,100,000.00	5/15/2012 5/15/2013	140,000.00 135,000.00	5.350%	415,000.00	140,000.00	275,000.00
Renovation of the Barley Sheaf Media Center and Construction of an addition to the Middle School	2/1/00	\$5,832,000.00	2/1/2012 2/1/2013 2/1/2014 2/1/2015	235,000.00 355,000.00 155,000.00 675,000.00	5.700% 5.700% 5.700% 5.700%	1,620,000.00	200,000.00	1,420,000.00
School Bonds	6/15/03	33,248,000.00	6/15/2012 6/15/2013 6/15/2014 6/15/2015 6/15/2016 6/15/2017 6/15/2018 6/15/2019 6/15/2020 6/15/2021 6/15/2022 6/15/2023 6/15/2024 6/15/2025 6/15/2026 6/15/2027	250,000.00 300,000.00 390,000.00 625,000.00 1,265,000.00 1,320,000.00 1,385,000.00 1,455,000.00 1,520,000.00 2,490,000.00 2,605,000.00 2,730,000.00 2,855,000.00 2,990,000.00 3,130,000.00 3,280,000.00	3.000% 3.150% 3.300% 3.500% 3.670% 4.000% 4.000% 4.000% 4.000% 4.000% 4.100% 4.100% 4.125% 4.125% 4.150% 4.200%	28,840,000.00	250,000.00	28,590,000.00



FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	ORIGINAL BUDGET	BUDGET TRANSFER	2011 FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$3,995,475.00		\$3,995,475.00	\$3,995,475.00	
Interest				1,777.21	\$1,777.21
State sources:					
Debt service aid type II	234,482.00		234,482.00	234,482.00	
Total revenues	<u>4,229,957.00</u>		<u>4,229,957.00</u>	<u>4,231,734.21</u>	<u>1,777.21</u>
EXPENDITURES:					
Regular debt service:					
Interest	1,881,463.00		1,881,463.00	1,881,462.76	0.24
Redemption of principal	2,359,000.00		2,359,000.00	2,359,000.00	
Total regular debt service-expenditures	<u>4,240,463.00</u>		<u>4,240,463.00</u>	<u>4,240,462.76</u>	<u>0.24</u>
Excess (deficiency) of revenues over (under) expenditures	(10,506.00)		(10,506.00)	(8,728.55)	1,777.45
Fund balance, July 1	<u>15,470.98</u>		<u>15,470.98</u>	<u>15,470.98</u>	
Fund balance, June 30	<u>\$4,964.98</u>		<u>\$4,964.98</u>	<u>\$6,742.43</u>	<u>\$1,777.45</u>

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**STATISTICAL SECTION (UNAUDITED)**

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FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
STATISTICAL SECTION

Contents

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities									
Invested in capital assets, net of related debt	\$9,865,912.95	\$9,073,401.55	\$8,392,463.05	\$7,261,201.28	\$6,525,697.70	\$6,787,528.23	\$5,683,422.94	\$4,862,774.29	\$15,235,440.80
Restricted	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96	3,880,824.90	7,343,517.04	6,695,841.39
Unrestricted	1,063,722.72	553,742.67	(150,242.86)	334,634.03	485,218.68	129,632.18	521,929.69	1,884,781.88	686,482.13
Total governmental activities net assets	<u>\$13,418,362.64</u>	<u>\$11,954,273.30</u>	<u>\$10,898,256.85</u>	<u>\$10,306,066.55</u>	<u>\$9,821,673.94</u>	<u>\$9,477,190.37</u>	<u>\$10,086,177.53</u>	<u>\$14,091,073.21</u>	<u>\$22,617,764.32</u>
Business-type activities									
Invested in capital assets, net of related debt	\$317,291.16	\$351,583.34	\$354,072.16	\$332,768.76	\$352,608.89	\$349,599.44	\$61,149.97	\$208,815.07	\$107,702.29
Unrestricted	254,634.50	171,123.29	129,660.15	146,403.62	157,030.78	112,620.53	289,381.49	154,144.49	135,705.47
Total business-type activities net assets	<u>\$571,925.66</u>	<u>\$522,706.63</u>	<u>\$483,732.31</u>	<u>\$479,172.38</u>	<u>\$509,639.67</u>	<u>\$462,219.97</u>	<u>\$350,531.46</u>	<u>\$362,959.56</u>	<u>\$243,407.76</u>
District-wide									
Invested in capital assets, net of related debt	\$10,183,204.11	\$9,424,984.89	\$8,746,535.21	\$7,593,970.04	\$6,878,306.59	\$7,137,127.67	\$5,744,572.91	\$5,071,589.36	\$15,343,143.09
Restricted	2,488,726.97	2,327,129.08	2,656,036.66	2,710,231.24	2,810,757.56	2,560,029.96	3,880,824.90	7,343,517.04	6,695,841.39
Unrestricted	1,318,357.22	724,865.96	(20,582.71)	481,037.65	642,249.46	242,252.71	811,311.18	2,038,926.37	822,187.60
Total district net assets	<u>\$13,990,288.30</u>	<u>\$12,476,979.93</u>	<u>\$11,381,989.16</u>	<u>\$10,785,238.93</u>	<u>\$10,331,313.61</u>	<u>\$9,939,410.34</u>	<u>\$10,436,708.99</u>	<u>\$14,454,032.77</u>	<u>\$22,861,172.08</u>

Source: CAFR Schedule A-1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
UNAUDITED

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES</b>									
Governmental activities									
Instruction									
Regular	\$22,529,358.67	\$23,004,696.55	\$23,484,841.13	\$22,733,788.93	\$21,670,703.01	\$21,110,410.00	\$18,256,297.91	\$17,953,773.26	\$16,789,259.70
Special education	8,061,100.15	8,247,335.20	7,718,335.27	7,385,022.09	6,910,137.70	6,006,308.28	5,217,210.11	4,787,313.18	4,177,085.05
Other instruction	2,260,323.07	2,424,289.28	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84	1,454,371.06	1,354,799.07	1,263,824.83
Support Services:									
Tuition	139,445.03	203,956.80	399,700.06	696,507.93	547,910.56	529,051.82	587,815.39	493,235.40	644,221.88
Student & instruction related services	6,140,697.82	6,759,251.63	6,396,940.66	6,422,342.75	6,089,380.26	5,993,330.11	5,147,455.37	4,912,430.22	3,799,184.08
General administrative services	893,495.83	950,753.97	1,479,395.00	1,407,843.95	1,462,105.01	1,232,795.36	1,031,639.06	1,019,995.27	1,872,464.32
School administrative services	3,451,054.83	3,539,474.59	3,241,245.92	3,130,852.48	3,118,461.20	2,950,393.28	2,473,424.98	2,350,865.40	2,275,236.10
Central services/Admin. Info. Technology	950,318.12	1,001,101.23	810,981.33	790,066.42	821,151.28	843,447.72	1,176,612.36		
Plant operations and maintenance	5,200,080.13	5,169,258.05	5,279,337.48	6,049,336.00	5,692,142.10	4,989,247.75	3,860,352.41	3,802,594.28	3,453,554.36
Student transportation services	4,691,569.46	4,632,460.23	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15	2,998,876.83	2,764,785.31	2,540,683.09
Business and other support services								424,568.05	446,484.09
Interest on long-term debt	1,932,076.93	2,017,964.23	2,044,955.02	2,337,510.94	2,222,843.11	2,540,341.13	2,660,795.25	2,860,562.62	1,494,001.93
Total governmental activities expenses	<u>\$6,249,520.05</u>	<u>\$57,950,541.77</u>	<u>\$56,616,661.13</u>	<u>\$56,850,483.70</u>	<u>\$4,151,982.34</u>	<u>\$1,230,694.44</u>	<u>\$4,864,850.73</u>	<u>\$2,724,922.06</u>	<u>\$3,755,999.43</u>
Business-type activities:									
Food Service	1,020,243.58	1,024,645.31	1,113,466.73	1,045,511.63	956,874.66	1,044,741.45	801,535.56	756,076.33	655,128.32
School Store						2,093.95	2,114.15	1,948.26	1,736.17
Total business-type activities expense	<u>1,020,243.58</u>	<u>1,024,645.31</u>	<u>1,113,466.73</u>	<u>1,045,511.63</u>	<u>956,874.66</u>	<u>1,046,835.40</u>	<u>803,649.71</u>	<u>758,024.59</u>	<u>656,864.49</u>
Total district expenses	<u>\$5,269,763.63</u>	<u>\$58,975,187.08</u>	<u>\$57,730,127.86</u>	<u>\$57,895,995.33</u>	<u>\$5,108,857.00</u>	<u>\$2,277,529.84</u>	<u>\$4,668,500.44</u>	<u>\$4,482,946.65</u>	<u>\$3,412,863.92</u>
<b>PROGRAM REVENUES</b>									
Governmental activities:									
Operating grants and contributions	\$4,677,882.82	\$4,808,419.30	\$4,386,374.40	\$5,871,175.65	\$5,435,711.26	\$3,925,305.16	\$3,336,913.82	\$3,125,139.85	\$2,952,983.73
Total governmental activities program revenues	<u>4,677,882.82</u>	<u>4,808,419.30</u>	<u>4,386,374.40</u>	<u>5,871,175.65</u>	<u>5,435,711.26</u>	<u>3,925,305.16</u>	<u>3,336,913.82</u>	<u>3,125,139.85</u>	<u>2,952,983.73</u>
Business-type activities:									
Charges for services									
Food Service	809,571.33	814,338.57	864,168.80	807,193.22	810,538.56	788,090.67	661,971.48	630,021.19	531,914.12
School Store						1,603.11	2,335.50	2,785.35	2,524.79
Operating grants and contributions	272,339.57	248,879.82	213,301.26	204,655.36	172,800.78	152,059.52	155,204.23	127,215.50	126,872.42
Total business type activities program revenues	<u>1,081,910.90</u>	<u>1,063,218.39</u>	<u>1,077,470.06</u>	<u>1,011,848.58</u>	<u>983,339.34</u>	<u>941,753.30</u>	<u>819,511.21</u>	<u>760,022.04</u>	<u>661,311.33</u>
Total district program revenues	<u>\$5,759,793.72</u>	<u>\$5,871,637.69</u>	<u>\$5,463,844.46</u>	<u>\$6,883,024.23</u>	<u>\$6,419,050.60</u>	<u>\$4,867,058.46</u>	<u>\$4,156,425.03</u>	<u>\$3,885,161.89</u>	<u>\$3,614,295.06</u>
<b>NET (EXPENSE)/REVENUE</b>									
Governmental activities	(\$51,571,637.23)	(\$53,142,122.47)	(\$52,230,286.73)	(\$50,979,308.05)	(\$48,716,271.08)	(\$47,305,389.28)	(\$41,527,936.91)	(\$39,599,782.21)	(\$35,803,015.70)
Business-type activities	61,667.32	38,573.08	(35,996.67)	(33,663.05)	26,464.68	(105,082.10)	15,861.50	1,997.45	4,446.84
Total district-wide net expense	<u>(\$51,509,969.91)</u>	<u>(\$53,103,549.39)</u>	<u>(\$52,266,283.40)</u>	<u>(\$51,012,971.10)</u>	<u>(\$48,689,806.40)</u>	<u>(\$47,410,471.38)</u>	<u>(\$41,512,075.41)</u>	<u>(\$39,597,784.76)</u>	<u>(\$35,798,568.86)</u>

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
UNAUDITED

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>									
Governmental activities:									
Property taxes levied for general purposes, net	\$42,610,823.00	\$42,610,823.00	\$40,978,349.00	\$39,510,870.00	\$37,820,501.00	\$35,454,737.00	\$30,150,203.00	\$29,649,541.00	\$27,023,450.00
Taxes levied for debt service	3,995,475.00	4,188,069.00	4,246,932.00	4,296,398.00	4,286,238.00	3,776,256.00	4,386,690.00	4,620,170.00	2,752,998.00
Unrestricted grants and contributions	5,159,490.37	6,380,582.00	7,148,271.00	6,831,875.61	6,728,703.89	6,735,924.46	6,701,323.52	6,647,751.00	11,827,444.60
Disposal of capital assets	(17,293.34)	(14,796.00)	(62,969.61)	(54,892.95)	(956,052.42)			(27,440.00)	
Receivables cancelled					(8,550.75)				
Miscellaneous income	1,287,231.53	1,033,460.92	536,575.91	879,450.00	1,189,914.93	729,484.66	763,514.41	800,242.42	189,610.85
Total governmental activities	<u>53,035,726.56</u>	<u>54,198,138.92</u>	<u>52,847,158.30</u>	<u>51,463,700.66</u>	<u>49,060,754.65</u>	<u>46,696,402.12</u>	<u>42,001,730.93</u>	<u>41,690,264.42</u>	<u>41,793,503.45</u>
Business-type activities:									
Miscellaneous Income	1,018.40	2,001.24	2,547.16	6,183.43	24,132.54	216,770.61	2,917.10	976.68	1,631.87
Disposal of capital assets	(13,466.69)	(1,600.00)	(1,239.99)	(2,987.67)					
Total business-type activities	<u>(12,448.29)</u>	<u>401.24</u>	<u>1,307.17</u>	<u>3,195.76</u>	<u>24,132.54</u>	<u>216,770.61</u>	<u>2,917.10</u>	<u>976.68</u>	<u>1,631.87</u>
Total district-wide	<u>\$53,023,278.27</u>	<u>\$54,198,540.16</u>	<u>\$52,848,465.47</u>	<u>\$51,466,896.42</u>	<u>\$49,084,887.19</u>	<u>\$46,913,172.73</u>	<u>\$42,004,648.03</u>	<u>\$41,691,241.10</u>	<u>\$41,795,135.32</u>
<b>CHANGE IN NET ASSETS</b>									
Governmental activities	\$1,464,089.34	\$1,056,016.45	\$616,871.57	\$484,392.61	\$344,483.57	(\$608,987.16)	\$473,794.02	\$2,090,482.21	\$5,990,487.75
Business-type activities	49,219.03	38,974.32	(34,689.50)	(30,467.29)	50,597.22	111,688.51	18,778.60	2,974.13	6,078.71
Total district	<u>\$1,513,308.37</u>	<u>\$1,094,990.77</u>	<u>\$582,182.07</u>	<u>\$453,925.32</u>	<u>\$395,080.79</u>	<u>(\$497,298.65)</u>	<u>\$492,572.62</u>	<u>\$2,093,456.34</u>	<u>\$5,996,566.46</u>

Source: CAFR Schedule A-2

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund									
Reserved		\$2,852,965.24	\$2,886,541.09	\$2,780,169.45	\$3,063,040.60	\$2,703,682.42	\$2,675,522.62	\$2,806,388.34	\$2,115,119.65
Restricted	\$2,218,001.93								
Assigned	1,417,548.37								
Unassigned	849,433.25								
Unreserved		1,037,136.15	658,125.98	1,115,464.61	1,185,159.59	1,068,149.31	1,218,596.70	1,837,994.30	1,698,172.48
Total general fund	<u>\$4,484,983.55</u>	<u>\$3,890,101.39</u>	<u>\$3,544,667.07</u>	<u>\$3,895,634.06</u>	<u>\$4,248,200.19</u>	<u>\$3,771,831.73</u>	<u>\$3,894,119.32</u>	<u>\$4,644,382.64</u>	<u>\$3,813,292.13</u>
All Other Governmental Funds									
Reserved		\$3,500.00		\$6,099.50	\$411,623.34	\$731,847.91	\$2,034,067.40	\$28,503,868.46	\$1,360.50
Committed	\$43,748.19								
Assigned	4,965.00								
Unreserved, reported in:									
Capital projects fund		41,876.62	233,769.94	368,202.79	455,891.43	872,973.95	6,755,226.10	3,385,648.39	5,597,648.75
Debt service fund		15,470.98	54,716.77	140,982.71	137,687.60	230,365.15	819,527.40	646,500.06	56,280.35
Total all other governmental funds	<u>\$48,713.19</u>	<u>\$60,847.60</u>	<u>\$288,486.71</u>	<u>\$515,285.00</u>	<u>\$1,005,202.37</u>	<u>\$1,835,187.01</u>	<u>\$9,608,820.90</u>	<u>\$32,536,016.91</u>	<u>\$5,655,289.60</u>

Source: CAFR Schedule B-1

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
UNAUDITED

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>									
Tax levy	\$46,606,298.00	\$46,798,892.00	\$45,225,281.00	\$43,807,268.00	\$42,106,739.00	\$39,230,993.00	\$34,536,893.00	\$34,269,711.00	\$29,776,448.00
Miscellaneous	1,279,664.58	1,041,253.75	528,239.04	844,115.46	1,148,841.00	704,587.66	593,086.70	411,724.66	204,921.51
State sources	8,771,389.00	9,402,309.28	10,701,738.22	11,734,668.16	11,234,257.34	9,698,735.68	9,140,586.08	8,939,687.66	14,019,986.72
Federal sources	1,007,725.54	1,778,899.19	830,738.73	959,507.53	916,310.53	946,476.43	878,629.34	825,520.86	745,130.95
Total revenue	<u>57,730,902.73</u>	<u>59,021,354.22</u>	<u>57,285,996.99</u>	<u>57,345,559.15</u>	<u>55,406,147.87</u>	<u>50,580,792.77</u>	<u>45,149,195.12</u>	<u>44,446,644.18</u>	<u>44,746,487.18</u>
<b>Expenditures</b>									
Instruction									
Regular instruction	15,352,121.79	15,926,517.76	16,314,063.05	15,390,991.09	14,537,053.28	14,245,312.50	12,684,443.34	12,995,345.64	12,264,342.08
Special education instruction	5,929,429.62	6,204,727.29	5,378,391.96	4,969,101.16	4,634,849.29	4,074,937.02	3,537,242.90	3,228,996.25	2,982,081.76
Other instruction	1,627,826.62	1,796,788.56	1,668,701.43	1,970,546.09	1,874,916.11	1,629,389.84	1,454,371.06	1,354,799.07	1,263,824.83
Support Services:									
Tuition	139,445.03	203,956.80	399,700.06	690,830.26	547,910.56	529,051.82	587,815.39	493,235.40	644,221.88
Student & instruction related services	4,542,845.76	5,139,050.23	5,291,224.24	5,291,067.08	5,029,266.30	5,063,293.92	4,363,944.25	4,229,549.33	3,162,284.81
General administrative services	737,399.15	842,497.63	818,219.02	767,679.67	795,743.11	809,603.99	681,258.09	696,765.36	1,632,774.03
School Administrative services	2,524,085.23	2,632,792.20	2,690,887.44	2,592,515.60	2,579,814.44	2,393,710.08	1,998,237.19	1,937,619.07	1,906,576.77
Business and other support services								424,568.05	446,484.09
Central services/Administration Information Technology	691,243.71	747,847.07	810,981.33	790,066.42	821,151.28	843,447.72	1,176,612.36		
Plant operations and maintenance	4,757,548.94	4,750,174.11	4,390,883.17	5,145,295.36	4,794,345.54	4,590,986.45	3,564,053.11	3,525,171.88	3,196,994.11
Student transportation services	4,072,975.00	4,198,095.00	4,092,227.83	3,926,666.12	3,742,232.00	3,405,979.15	2,998,876.83	2,764,785.31	2,540,683.09
Unallocated employee benefits	12,118,092.19	11,467,230.33	10,742,669.16	11,231,164.92	10,536,392.98	8,628,892.87	7,503,396.19	6,474,048.86	5,456,412.26
Capital outlay	414,679.18	497,477.49	720,894.64	844,665.99	1,188,262.86	7,609,751.64	23,778,243.08	6,873,844.13	1,558,572.09
Debt service:									
Principal	2,359,000.00	2,518,000.00	2,390,000.00	2,330,000.00	2,410,000.00	2,120,000.00	1,996,877.84	1,888,755.38	1,843,755.38
Interest and other charges	1,881,462.76	1,978,404.54	2,165,424.26	2,291,663.00	2,314,196.76	2,573,271.76	2,690,732.45	2,826,574.99	1,523,318.65
Total expenditures	<u>57,148,154.98</u>	<u>58,903,559.01</u>	<u>57,874,267.59</u>	<u>58,232,252.76</u>	<u>55,806,134.51</u>	<u>58,517,628.76</u>	<u>69,016,104.08</u>	<u>49,714,058.72</u>	<u>40,422,325.83</u>
Excess (Deficiency) of revenues over (under) expenditures	582,747.75	117,795.21	(588,270.60)	(886,693.61)	(399,986.64)	(7,936,835.99)	(23,866,908.96)	(5,267,414.54)	4,324,161.35
<b>Other Financing sources (uses)</b>									
Bond proceeds			6,495,000.00		8,115,000.00			32,583,032.28	664,967.72
Premium on sale of bonds			349,361.15		146,424.00				
Cost of issuance			(95,849.71)		(126,024.63)				
Payment to refunded bonds escrow agent			(6,748,511.44)		(8,135,399.77)				
Grants canceled					(8,550.75)				
Interest earned/bond sale			10,505.32	44,210.11	54,921.21	40,914.51	189,449.63	396,200.08	
Total other financing sources (uses)			<u>10,505.32</u>	<u>44,210.11</u>	<u>46,370.06</u>	<u>40,914.51</u>	<u>189,449.63</u>	<u>32,979,232.36</u>	<u>664,967.72</u>
Net change in fund balances	<u>\$582,747.75</u>	<u>\$117,795.21</u>	<u>(\$577,765.28)</u>	<u>(\$842,483.50)</u>	<u>(\$353,616.58)</u>	<u>(\$7,895,921.48)</u>	<u>(\$23,677,459.33)</u>	<u>\$27,711,817.82</u>	<u>\$4,989,129.07</u>
Debt service as a percentage of noncapital expenditures	7.47%	7.70%	7.97%	8.05%	8.65%	9.22%	10.36%	11.01%	8.66%

Source: CAFR Schedule B-2

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest On</u> <u>Investments</u>	<u>Rental</u> <u>Income</u>	<u>Transportation</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$65,825.61	\$52,398.94	\$155,187.35	\$958,406.44	\$49,644.66	\$1,281,463.00
2010	87,241.29	165,999.27		627,172.89	149,587.72	1,030,001.17
2009	24,264.21	147,172.64		253,218.38	101,415.36	526,070.59
2008	105,990.82	220,526.00		400,102.26	99,907.51	826,526.59
2007	101,240.04	286,057.37		339,599.00	399,798.91	1,126,695.32
2006	14,521.94	365,212.76		271,664.90	29,956.40	681,356.00
2005	64,767.64	192,247.27		264,303.59	52,746.28	574,064.78
2004	43,239.00	128,857.29		203,401.19	27,655.45	403,152.93
2003	57,225.51	66,968.99			48,994.27	173,188.77
2002	65,231.67	116,737.17		86,601.94	37,655.31	306,226.09

Source: District Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - RARITAN TOWNSHIP  
 UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2011	\$71,362,300	\$3,086,291,900	\$75,439,500	\$599,594,100	\$99,712,296	\$12,000,400	\$3,944,400,496	\$7,750,312	\$3,952,150,808	\$4,213,829,628	\$1.047
2010	76,421,100	3,075,441,300	74,173,800	587,488,500	102,443,496	12,000,400	3,927,968,596	7,164,889	3,935,133,485	4,293,331,070	1.052
2009	83,602,300	3,174,796,750	72,719,300	551,130,525	112,267,100	12,039,400	4,006,555,375	5,255,322	4,011,810,697	4,288,296,452	1.023
2008	96,565,800	3,484,223,675	77,788,000	514,880,200	115,852,600	12,686,700	4,301,996,975	6,484,948	4,308,481,923	4,513,661,478	0.922
2007	90,288,300	3,471,183,800	78,340,200	517,905,600	113,115,500	12,686,700	4,283,520,100	6,991,505	4,290,511,605	4,624,967,955	0.887
2006	61,862,300	1,824,119,900	42,135,800	257,214,700	59,192,800	6,112,000	2,250,637,500	4,561,079	2,255,198,579	4,190,961,100	1.590
2005	58,921,800	1,772,932,500	47,522,600	246,015,300	58,902,300	6,112,000	2,190,406,500	5,094,825	2,195,501,325	3,781,394,395	1.481
2004	82,432,000	1,656,112,300	44,991,800	235,346,100	59,861,200	6,112,000	2,084,855,400	5,582,949	2,090,438,349	3,261,835,114	1.439
2003	78,611,000	1,580,462,400	44,375,600	230,175,300	69,361,200	6,112,000	2,009,097,500	5,967,153	2,015,064,653	2,999,548,373	1.382
2002	66,999,300	1,524,228,500	44,330,600	211,997,700	66,271,200	6,112,000	1,919,939,300	5,697,883	1,925,637,183	2,588,917,966	1.336

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - FLEMINGTON BOROUGH  
UNAUDITED

Fiscal Year Ended June 30.	Vacant Land	Residential	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2011	\$3,769,700	\$210,592,400		\$202,435,700	\$3,097,000	\$37,979,000	\$457,873,800		\$3,508,064	\$461,381,864	\$525,523,353	\$1.194
2010	3,902,700	216,142,600		210,993,100	3,223,000	39,940,200	474,201,600		4,488,355	478,689,955	545,874,986	1.107
2009	4,500,000	241,327,200		243,748,200	3,651,100	42,234,000	535,460,500		6,245,384	541,705,884	570,686,479	1.023
2008	5,010,500	258,907,500		221,209,500	3,365,000	42,997,200	531,489,700		7,850,869	539,340,569	567,073,152	0.887
2007	4,926,100	258,451,200		209,805,200	3,257,100	41,253,600	517,693,200		6,095,584	523,788,784	557,587,233	0.932
2006	4,568,800	234,695,900		197,857,700	3,100,400	39,874,100	480,096,900		5,721,733	485,818,633	504,031,338	0.991
2005	3,529,400	208,390,600		184,883,700	2,859,000	36,253,000	435,915,700		4,897,263	440,812,963	451,088,670	0.993
2004	2,199,200	168,630,500	\$11,800	156,487,600	2,402,300	31,160,100	360,891,500		4,637,467	365,528,967	396,426,462	1.188
2003	2,410,900	168,281,300	11,800	155,322,900	2,402,300	31,160,100	359,589,300		5,109,598	364,698,898	378,077,279	1.382
2002	2,821,800	151,340,200	11,800	144,716,700	2,209,800	29,507,100	330,607,400		5,109,598	335,716,998	356,122,837	1.150

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

Fiscal Year Ended June 30.	Township of Raritan			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Raritan	Hunterdon Central High School	Hunterdon County	
2011	\$0.957	\$0.090	\$1.047	\$0.296	\$0.553	\$0.370	\$2.266
2010	0.958	0.094	1.052	0.294	0.541	0.377	2.264
2009	0.927	0.096	1.023	0.265	0.511	0.369	2.168
2008	0.832	0.090	0.922	0.243	0.474	0.348	1.987
2007	0.797	0.090	0.887	0.248	0.465	0.360	1.960
2006	1.437	0.153	1.590	0.360	0.828	0.662	3.440
2005	1.293	0.188	1.481	0.307	0.774	0.648	3.210
2004	1.245	0.194	1.439	0.307	0.722	0.629	3.097
2003	1.254	0.128	1.382	0.311	0.653	0.644	2.990
2002	1.188	0.148	1.336	0.337	0.620	0.607	2.900

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

Fiscal Year Ended June 30,	Borough of Flemington			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Borough of Flemington	Hunterdon Central High School	Hunterdon County	
2011	\$1.092	\$0.102	\$1.194	\$0.543	\$0.632	\$0.364	\$2.733
2010	1.008	0.099	1.107	0.581	0.524	0.370	2.582
2009	0.927	0.096	1.023	0.508	0.480	0.316	2.327
2008	0.803	0.084	0.887	0.488	0.494	0.323	2.192
2007	0.837	0.095	0.932	0.478	0.540	0.330	2.280
2006	0.896	0.095	0.991	0.496	0.552	0.341	2.380
2005	0.867	0.126	0.993	0.510	0.527	0.360	2.390
2004	1.028	0.160	1.188	0.561	0.617	0.414	2.780
2003	1.254	0.128	1.382	0.571	0.562	0.428	2.943
2002	1.023	0.127	1.150	0.595	0.572	0.453	2.770

Source: District Records and Municipal Tax Collector  
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO  
RARITAN TOWNSHIP  
UNAUDITED

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Thomas J. Lipton Inc.				\$21,000,000.00	1	1.09%
Flemington Fair Associates	\$58,891,400.00	1	1.49%			
Flemington Mall Ltd.	30,675,300.00	2	0.78%	10,200,000.00	2	0.53%
Yale Materials Handling Corp.				7,968,600.00	3	0.41%
Bedford Falls Land Co.	30,670,200.00	3	0.78%			
Hunterdon Convalescent Center Inc.				7,795,900.00	4	0.40%
Clojo Circle, LLC.	19,486,900.00	4	0.49%			
Johanna Foods Inc.				7,400,000.00	5	0.38%
Hunterdon Medical Office Assoc.	17,070,000.00	5	0.43%	6,824,900.00	6	0.35%
Equity Industrial Flemington LLC	17,000,000.00	6	0.43%			
M R Development Corp.	15,579,400.00	7	0.39%			
Foremost Realty LP	15,181,000.00	8	0.38%			
FBS Partners III LP	17,040,900.00	9	0.43%			
Raritan Village Shopping Ctr. LLC	14,108,000.00	10	0.36%	6,000,000.00	7	0.31%
Belscot Associates et al				5,638,700.00	8	0.29%
Minnesota Mining and Manufacturing				5,000,000.00	9	0.26%
Algoquin Gas Trans Co.				4,879,500.00	10	0.25%
<b>Total</b>	<b>\$176,811,700.00</b>		<b>4.47%</b>	<b>\$82,707,600.00</b>		<b>4.30%</b>

Source: Municipal Tax Assessor

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO  
BOROUGH OF FLEMINGTON  
UNAUDITED

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Liberty Village	\$24,604,000.00	1	4.68%	\$22,776,000.00	1	7.61%
Flemington South	22,250,000.00	2	4.23%			
Flemington Apts. LLC.	13,268,000.00	3	2.52%			
Bitmore Realty Co.	10,350,000.00	4	1.97%	8,010,000.00	2	2.68%
Arjay Realty				7,790,000.00	3	2.60%
Eagle Properties				5,856,000.00	4	1.96%
Hunterdon Shopping Center	7,884,000.00	5	1.50%	4,750,000.00	5	1.59%
Roho LLC.	7,400,000.00	6	1.41%			
Flemington Fidelco	6,440,000.00	7	1.23%	4,592,000.00	6	1.54%
DiBianca Family Associates				3,917,300.00	7	1.31%
Taxpayer # 8	4,579,900.00	8	0.87%	3,874,800.00	8	1.30%
Taxpayer # 9	4,579,000.00	9	0.87%			
Old Egg Auction				2,798,800.00	9	0.94%
Flemington Circle Park Assoc.	4,263,300.00			2,926,000.00	10	0.98%
NJN Associates	3,720,000.00	10	0.71%			0.00%
Total	<u>\$109,338,200.00</u>		<u>19.99%</u>	<u>\$67,290,900.00</u>		<u>22.50%</u>

Source: Municipal Tax Assessor

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
TOWNSHIP OF RARITAN  
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2011	\$41,075,313.53	\$41,075,313.53	100.00%	-
2010	41,729,291.63	41,729,291.63	100.00%	-
2009	40,364,516.65	40,364,516.65	100.00%	-
2008	39,102,565.20	39,102,565.20	100.00%	-
2007	37,065,195.30	37,065,195.30	100.00%	-
2006	34,646,664.10	34,646,664.10	100.00%	-
2005	30,366,963.11	30,366,963.11	100.00%	-
2004	29,766,406.66	29,766,406.66	100.00%	-
2003	25,913,510.01	25,913,510.01	100.00%	-
2002	25,560,017.89	25,560,017.89	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the school year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
BOROUGH OF FLEMINGTON  
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2011	\$5,530,984.47	\$5,530,984.47	100.00%	-
2010	5,069,600.37	5,069,600.37	100.00%	-
2009	4,860,764.35	4,860,764.35	100.00%	-
2008	4,884,702.80	4,884,702.80	100.00%	-
2007	5,041,543.70	5,041,543.70	100.00%	-
2006	4,584,328.90	4,584,328.90	100.00%	-
2005	4,169,929.89	4,169,929.89	100.00%	-
2004	4,503,304.34	4,503,304.34	100.00%	-
2003	3,862,937.99	3,862,937.99	100.00%	-
2002	3,848,483.11	3,848,483.11	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in is the amount voted upon or certified prior to the end of the school year.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2011	\$42,717,000.00					\$42,717,000.00	*	*
2010	45,076,000.00					45,076,000.00	0.14%	1,684.08
2009	47,594,000.00					47,594,000.00	0.14%	1,768.04
2008	50,149,000.00					50,149,000.00	0.14%	1,883.18
2007	52,479,000.00					52,479,000.00	0.12%	1,964.92
2006	54,089,000.00					54,089,000.00	0.11%	2,004.26
2005	56,209,000.00					56,209,000.00	0.11%	2,100.25
2004	58,205,877.84		\$52,032.88			58,257,910.72	0.10%	2,201.40
2003	26,846,633.22		103,941.35			26,950,574.57	0.21%	1,038.64
2002	28,690,388.60		152,329.76			28,842,718.36	0.19%	1,133.89

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

\* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2011	\$42,717,000.00		\$42,717,000.00	0.97%	*
2010	45,076,000.00		45,076,000.00	1.02%	1,684.08
2009	47,594,000.00		47,594,000.00	1.05%	1,768.04
2008	50,149,000.00		50,149,000.00	1.03%	1,883.18
2007	52,479,000.00		52,479,000.00	1.09%	1,964.92
2006	54,089,000.00		54,089,000.00	1.97%	2,004.26
2005	56,209,000.00		56,209,000.00	2.13%	2,100.25
2004	58,205,877.84		58,205,877.84	2.37%	2,199.44
2003	26,846,633.22		26,846,633.22	1.13%	1,034.63
2002	28,690,388.60		28,690,388.60	1.27%	1,127.90

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit NJ J-6 for property tax data.

(b) Population data can be found in Exhibit NJ J-14.

\* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2010  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Flemington Borough	\$7,575,673.33	100.00%	\$7,575,673.33
Raritan Township	22,382,769.62	100.00%	22,382,769.62
Other debt			
Hunterdon County	99,997,478.11	20.38%	<u>20,374,630.79</u>
Subtotal, overlapping debt			\$50,333,073.74
Flemington-Raritan Regional School District Direct Debt			<u>42,717,386.00</u>
Total direct and overlapping debt			<u><u>\$93,050,459.74</u></u>

Source: Municipal Chief Financial Officer, County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2011:

Equalized Valuation Basis

Calendar Year

2010	\$4,705,451,179.00
2009	4,786,594,903.00
2008	4,862,148,287.00
	<u>14,354,194,369.00</u>

Average Equalized Valuation of Taxable Property

\$4,784,731,456.33

Debt Limit (3% (a) of average equalization value)

143,541,943.69

Total Net Debt Applicable to Limit

42,717,386.00

Legal Debt Margin

\$100,824,557.69

	Fiscal Year Ending June 30,									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt Limit	\$143,541,943.69	\$145,106,607.75	\$143,802,830.36	\$136,266,619.94	\$123,612,139.60	\$108,871,952.27	\$95,062,349.15	\$82,979,933.67	\$72,552,758.99	\$65,156,628.54
Total Net Debt Applicable To Limit	<u>42,717,386.00</u>	<u>47,594,386.00</u>	<u>47,594,386.00</u>	<u>50,149,386.00</u>	<u>52,479,386.00</u>	<u>54,089,386.00</u>	<u>56,209,386.00</u>	<u>58,205,877.84</u>	<u>60,095,019.22</u>	<u>28,690,388.60</u>
Legal Debt Margin	<u>\$100,824,557.69</u>	<u>\$97,512,221.75</u>	<u>\$96,208,444.36</u>	<u>\$86,117,233.94</u>	<u>\$71,132,753.60</u>	<u>\$54,782,566.27</u>	<u>\$38,852,963.15</u>	<u>\$24,774,055.83</u>	<u>\$12,457,739.77</u>	<u>\$36,466,239.94</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	29.76%	32.80%	33.10%	36.80%	42.45%	49.68%	59.13%	70.14%	82.83%	44.03%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>	
				<u>Flemington</u>	<u>Raritan</u>
2011	*	*		7.50%	3.80%
2010	26,766	1,748,997,504	65,344	7.30%	3.70%
2009	26,919	1,850,708,169	68,751	4.00%	2.00%
2008	26,630	1,814,941,020	68,154	3.10%	1.50%
2007	26,708	1,718,018,808	64,326	3.60%	1.80%
2006	26,987	1,608,209,304	59,592	3.60%	1.80%
2005	26,763	1,603,558,671	59,917	3.70%	1.60%
2004	26,464	1,552,537,024	58,666	4.90%	2.90%
2003	25,948	1,481,890,280	57,110	5.90%	3.50%
2002	25,437	1,409,972,910	55,430	5.40%	3.20%

## Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.  
(b) Personal income has been estimated based upon the municipal population and per capita personal income presented.  
(c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.  
(d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

\* - Data Not Available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - CURRENT YEAR AND TEN YEARS AGO  
UNAUDITED

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
(1)	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

(1) - Data not available

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
UNAUDITED

Function/Program	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction:								
Regular	272	278	275	278	274	244	234	253
Special education	51	51	48	48	48	42	37	47
Other special education								
Vocational								
Other instruction	65	64	64	63	63	41	38	49
Nonpublic school programs								
Adult/continuing education programs								
Support Services:								
Tuition								
Student & instruction related services								
General administrative services	3	3	3	3	3	4	4	4
School administrative services	17	17	17	17	17	17	15	15
Plant operations and maintenance	10	10	10	11	11	11	10	9
Pupil transportation								
Central services	31	33	33	33	33	33	29	29
Administration information technology	4	4	5	5	5	5	4	4
Special Schools								
Food Service	24	25	25	25	25	23	23	21
Total	<u>477</u>	<u>485</u>	<u>480</u>	<u>483</u>	<u>479</u>	<u>420</u>	<u>394</u>	<u>431</u>

Source: District Personnel Records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	3,628	\$52,493,013.04	\$14,468.86	-2.57%	325	11.2	3,633	3,491	0.80%	96.10%
2010	3,630	53,909,676.98	14,851.15	2.04%	346	10.5	3,604	3,465	0.82%	96.16%
2009	3,614	52,597,948.69	14,553.94	-1.67%	347	10.4	3,574	3,439	-0.32%	96.21%
2008	3,565	52,765,923.77	14,801.10	6.17%	342	10.4	3,586	3,449	0.61%	96.19%
2007	3,579	49,893,674.89	13,940.67	7.25%	342	10.5	3,564	3,427	-0.39%	96.16%
2006	3,588	46,639,885.36	12,998.85	12.71%	327	11.0	3,578	3,442	0.39%	96.20%
2005	3,569	41,162,450.44	11,533.33	7.76%	322	11.1	3,564	3,427	-0.14%	96.14%
2004	3,598	38,508,130.77	10,702.65	5.24%	322	11.2	3,569	3,435	1.69%	96.23%
2003	3,530	35,898,777.77	10,169.63	5.29%	320	11.0	3,510	3,361	1.74%	95.75%
2002	3,467	33,485,548.88	9,658.36	12.19%	309	11.2	3,450	3,317	2.20%	96.14%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>District Buildings</u>							
Elementary School(s):							
Barley Sheaf (1967)							
Square Feet	59,105	70,869	70,869	70,869	70,869	70,869	70,869
Capacity (students)	566	566	566	566	566	566	566
Enrollment	444	458	458	459	478	475	469
Copper Hill (1996)							
Square Feet	123,000	127,219	127,219	127,219	127,219	127,219	127,219
Capacity (students)	619	619	619	619	619	619	619
Enrollment	609	548	548	537	559	560	579
Robert Hunter (1961)							
Square Feet	74,464	74,464	74,464	74,464	74,464	74,464	74,464
Capacity (students)	547	547	547	547	547	547	547
Enrollment	453	521	521	487	483	474	465
Desmares (1991)							
Square Feet	85,138	84,094	84,094	84,094	84,094	84,094	84,094
Capacity (students)	569	569	569	569	569	569	569
Enrollment	494	473	473	463	447	456	429
Middle School(s):							
JP Case (2006)							
Square Feet	167,000	137,672	137,672	137,672	137,672	137,672	137,672
Capacity (students)	912	912	912	912	912	912	912
Enrollment	832	791	791	829	851	841	834
Intermediate School(s)							
Reading-Fleming (1964)							
Square Feet	159,120	175,318	175,318	175,318	175,318	175,318	175,318
Capacity (students)	902	902	902	902	902	902	902
Enrollment	801	811	811	800	768	773	812

Number of Schools at June 30, 2011

    Elementary = 4

    Middle School = 1

    Intermediate = 1

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	Total	Other	Barley Sheaf	Copper Hill	Frances A. Desmares	Reading- Fleming	JP Case	Robert Hunter
2011	\$1,068,790.78	\$1,232.00	\$73,757.56	\$127,881.64	\$256,161.55	\$450,993.24	\$94,592.90	\$64,171.89
2010	1,302,711.41		186,415.33	133,013.58	181,944.99	542,598.99	80,721.30	178,017.22
2009	745,905.97	24,989.00	191,977.59	100,253.59	65,811.25	193,076.20	70,335.19	99,463.15
2008	731,365.52		277,132.62	106,081.53	76,870.49	134,536.09	57,458.06	79,286.73
2007	890,408.18		256,158.63	97,884.86	96,525.43	253,935.24	53,335.39	132,568.63
2006	1,068,080.54	8,031.53	162,196.61	133,435.16	179,330.93	278,235.95	20,579.93	286,270.43
2005	1,011,104.86	3,253.16	145,906.90	150,809.43	138,465.98	199,897.77		372,771.62
2004	659,578.90	10,932.22	59,375.05	161,351.15	74,372.44	160,358.98		193,189.06
2003	294,480.18	40,198.38	46,191.08	58,435.21	29,149.55	90,539.51		29,966.45
2002	560,445.20		74,663.30	134,030.27	88,596.37	184,704.48		78,450.78
<b>Total School Facilities</b>	<b>\$5,961,369.35</b>	<b>\$87,404.29</b>	<b>\$1,213,601.78</b>	<b>\$942,281.20</b>	<b>\$749,122.44</b>	<b>\$1,495,284.22</b>	<b>\$201,708.57</b>	<b>\$1,271,966.85</b>

\* - School facilities as defined under EFCFA.  
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
6/30/2011  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>Bonds - Selective Insurance</b>		
Treasurer of School Monies	\$ 300,000	\$
Public Employees Blanket Bond - SAIF	500,000	1,000
Business Administrator/ Board Secretary	150,000	
 <u>School Alliance Insurance Fund</u>		
School Board Legal Liability- (ACE)	5,000,000	10,000
Employment Practices Liability (EPL)		10,000
 Commercial General Liability and Auto Liability	 5,000,000	
Commercial Property Coverage Includes:	250,000,000	1,000
Building		
Boiler and Machinery		
Valuable Papers and Records		
Demolition		
Increased Cost of Construction		
EDP Floater		
EDP Media		
Auto Physical Damage		
 Commercial Excess Liability	 5,000,000	
Includes Excess School Board Legal		
 Pollution Liability	 1,000,000	 5,000
Workers' Compensation - Statutory Limits		
Employees Liability	5,000,000	

Source: District Records

**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Honorable President and Members  
of the Board of Education  
Flemington-Raritan Regional School District  
County of Hunterdon  
Flemington, New Jersey 08822

We have audited the basic financial statements of the Flemington-Raritan Regional School District; County of Hunterdon, New Jersey as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 16, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Flemington-Raritan Regional School District, County of Hunterdon, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Flemington-Raritan Regional School District, County of Hunterdon internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional, County of Hunterdon's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

## SUPLEE, CLOONEY & COMPANY

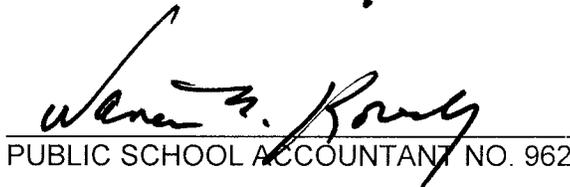
Our consideration of the internal control over financial reporting was limited for the purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Flemington-Raritan Regional School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management and the Board of Education of the Flemington-Raritan Regional School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 16, 2011



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A -133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members  
of the Board of Education  
Flemington-Raritan Regional School District  
County of Hunterdon  
Flemington, New Jersey 08822

Compliance

We have audited the compliance of the Flemington-Raritan Regional School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Flemington-Raritan Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Flemington-Raritan Regional School District's management. Our responsibility is to express an opinion on Flemington-Raritan Regional School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Flemington-Raritan Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Flemington-Raritan Regional School District's compliance with those requirements.

## SUPLEE, CLOONEY & COMPANY

In our opinion, the Flemington-Raritan Regional School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The management of the Flemington-Raritan Regional School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Flemington-Raritan Regional School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Flemington-Raritan Regional School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management and the Board of Education of the Flemington-Raritan Regional School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

November 16, 2011

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2010	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2011				
				FROM	TO							(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR AT		
Special Revenue Funds																
U.S. Department of Education																
Passed-through State Department of Education:																
Title I, Part A	84.010A	NCLB-1510-11	102,432.00	9/1/10	8/31/11	\$	\$	\$ 55,476.00	\$ (99,676.00)	\$	\$	(44,200.00)	\$	\$		
Title I, Part A	84.010A	NCLB-1510-10	99,970.00	9/1/09	8/31/10	(35,679.72)		39,195.00	(2,514.78)				0.50			
Title I, Part A	84.010	NCLB-1510-09	111,856.00	9/1/08	8/31/09	(1.96)		707.00	(706.00)			(0.96)				
Title II, Part A	84.367A	NCLB-1510-11	95,603.00	9/1/10	8/31/11			21,962.00	(26,553.86)			(4,591.86)				
Title II, Part A	84.367	NCLB-1510-09	61,746.00	9/1/08	8/31/09	(4,428.26)	(2,104.00)	8,806.00	(2,273.00)				0.74			
Title II, Part A	84.367A	NCLB-1510-10	56,648.00	9/1/09	8/31/10	(6,614.18)		27,525.00	(18,909.41)				1.41			
Title II, Part D	84.367X	NCLB-1510-11	260.00	9/1/10	8/31/11			150.00	(150.00)							
Title II, Part D	84.318X	NCLB-1510-10	944.00	9/1/09	8/31/10	0.43										
Title II, Part D	84.367	NCLB-1510-09	1,062.00	9/1/08	8/31/09	(1,062.00)		1,062.00					0.43			
Title III	84.365A	NCLB-1510-11	30,039.00	9/1/10	8/31/11			4,976.00	(17,927.11)			(12,951.11)				
Title III	84.365A	NCLB-1510-10	13,197.00	9/1/09	8/31/10	(2,868.02)		11,324.00	(8,441.20)				14.78			
Title III	84.365	NCLB-1510-09	18,084.00	9/1/08	8/31/09	(1.23)		572.00	(570.77)							
Title V	84.298	NCLB-1510-09	12,870.00	9/1/08	8/31/09	(2,104.00)	2,104.00									
Title IV	84.186A	NCLB-1510-10	6,320.00	9/1/09	8/31/10	(1,781.35)		5,025.00	(3,245.22)			(1.57)				
Title IV	84.186	NCLB-1510-09	6,856.00	9/1/08	8/31/09	(4,229.59)		4,594.00	(364.41)							
A.R.R.A. - I.D.E.A. Part B, Basic	84.391	FT-1510-10	759,792.00	7/1/09	9/30/11	(60,108.50)		316,243.00	(318,618.05)			(62,483.55)				
A.R.R.A. - I.D.E.A. Preschool	84.392	FT-1510-10	27,475.00	7/1/09	9/30/11	(27,475.00)		27,475.00								
I.D.E.A. Part B, Basic Regular	84.027	FT-1510-11	706,368.00	9/1/10	8/31/11			343,157.00	(402,608.22)			(59,451.22)				
I.D.E.A. Part B, Basic Regular	84.027	FT-1510-10	693,328.00	9/1/09	8/31/10	(239,781.22)		167,507.00	(41,994.05)			(114,268.27)				
I.D.E.A. Part B, Basic Regular	84.027	FT-1510-09	685,763.00	9/1/08	8/31/09	2,738.83							2,738.83			
I.D.E.A. Part B, Basic Regular	84.027	FT-1510-08	678,235.00	9/1/07	8/31/08	16,308.22					(4,362.50)		11,945.72			
I.D.E.A. Part B, Basic Regular	84.027	FT-1510-07	653,479.00	9/1/06	8/31/07	23,078.00					(23,078.00)					
I.D.E.A. Part B, Preschool	84.173	FT-1510-11	33,851.00	9/1/10	8/31/11			16,847.00	(33,851.00)			(17,004.00)				
I.D.E.A. Part B, Preschool	84.173	PS-1510-10	32,639.00	9/1/09	8/31/10	(16,801.00)		16,801.00								
I.D.E.A. Part B, Preschool	84.173	PS-1510-09	32,533.00	9/1/08	8/31/09	(2,292.00)						(2,292.00)				
I.D.E.A. Part B, Preschool	84.173	PS-1510-08	34,064.00	9/1/07	8/31/08	2,937.00					(2,937.00)					
I.D.E.A. Part B, Preschool	84.173	PS-1510-07	33,929.00	9/1/06	8/31/07	530.00					(530.00)					
Total U.S. Department of Education						(361,635.55)		1,068,404.00	(978,403.08)		(30,907.50)	(317,244.54)	14,792.41			
Enterprise Funds																
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Food Donations	10.550	N/A	54,627.99	7/1/10	6/30/11			54,627.99	(45,226.99)				9,401.00			
Food Donations	10.550	N/A	57,475.83	7/1/09	6/30/10	9,244.54			(9,244.54)							
National School Lunch Program	10.555	N/A	205,411.50	7/1/10	6/30/11			186,770.92	(205,411.50)			(18,640.58)				
National School Lunch Program	10.555	N/A	180,144.78	7/1/09	6/30/10	(18,033.51)		18,033.51								
Total U.S. Department of Agriculture						(8,788.97)		259,432.42	(259,883.03)			(18,640.58)	9,401.00			
Total Federal Financial Assistance						\$ (370,424.52)	\$ -0-	\$ 1,327,836.42	\$ (1,238,286.11)	\$	\$ (30,907.50)	\$ (335,885.12)	\$ 24,193.41	\$		

See accompanying notes to schedules of financial assistance.

FLEMINGTON-RARITAN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD		BALANCE AT JUNE 30, 2010				BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2011			MEMO BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
			FROM	TO	(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	CASH RECEIVED			(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR AT		
State Department of Education															
General Funds:															
Special Education Aid	11-495-034-5120-089	1,944,407.00	7/1/10	6/30/11	\$	\$	\$	\$	1,756,103.41	(1,944,407.00)	\$	\$	\$	(188,303.59)	(1,944,407.00)
Equalization Aid	11-495-034-5120-078	2,640,217.00	7/1/10	6/30/11					2,384,528.59	(2,640,217.00)				(255,688.41)	(2,640,217.00)
Nonpublic Transportation Aid	11-495-034-5120-044	23,429.37	7/1/10	6/30/11					(23,429.37)				(23,429.37)	(23,429.37)	
Nonpublic Transportation Aid	10-495-034-5120-044	18,545.00	7/1/09	6/30/10	(18,545.00)			18,545.00							
Extraordinary Special Education Costs Aid	11-100-034-5120-473	300,719.00	7/1/10	6/30/11					(300,719.00)				(300,719.00)	(300,719.00)	
Extraordinary Special Education Costs Aid	10-100-034-5120-473	524,445.00	7/1/09	6/30/10	(524,445.00)			524,445.00							
TPAF Wage Freeze Grant	N/A	139.00	7/1/10	6/30/11				69.50	(139.00)				(69.50)		
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	1,711,306.27	7/1/10	6/30/11				1,627,290.83	(1,711,306.27)				(84,015.44)	(1,711,306.27)	
Reimbursed TPAF Social Security Contribution	10-495-034-5095-002	1,833,323.12	7/1/09	6/30/10	(91,735.32)			91,735.32							
					(634,725.32)			6,402,717.65	(6,620,217.64)				(443,992.00)	(6,620,078.64)	
Special Revenue Funds:															
Character Education	06-100-034-5120-418	9,563.00	7/1/05	6/30/08		295.44						295.44			
Autism Expansion Grant	08-FB01-H03	279,221.00	4/4/07	6/30/08	(8,755.00)			8,755.00							
N.J. NonPublic Aid:															
Handicapped Services:															
Corrective Speech	11-100-034-5120-066	2,347.00	7/1/10	6/30/11				2,347.00	(1,406.18)			938.82		(1,406.18)	
Corrective Speech	10-100-034-5120-066	7,174.00	7/1/09	6/30/10			4,573.54		(4,573.54)						
Examination and Classification	10-100-034-5120-066	4,202.00	7/1/09	6/30/10			2,556.90		(2,556.90)						
Examination and Classification	11-100-034-5120-066	6,696.00	7/1/10	6/30/11				6,696.00	(6,693.42)			2.58		(6,693.42)	
Supplemental Instruction	11-100-034-5120-066	695.00	7/1/10	6/30/11				695.00	(277.93)			417.07		(277.93)	
Auxiliary Services:															
ESL	11-100-034-5120-067	854.00	7/1/10	6/30/11				854.00	(512.29)			341.71		(512.29)	
Compensatory Education	11-100-034-5120-067	3,349.00	7/1/10	6/30/11				3,349.00				3,349.00			
Nonpublic Textbook Aid	10-100-034-5120-064	3,190.00	7/1/09	6/30/10			423.68		(423.68)						
Nonpublic Textbook Aid	11-100-034-5120-064	2,103.00	7/1/10	6/30/11				2,103.00	(1,749.31)			353.69		(1,749.31)	
Nonpublic Nursing Services	11-100-034-5120-070	2,088.00	7/1/10	6/30/11				2,088.00	(2,088.00)					(2,088.00)	
					(8,755.00)	295.44	7,554.12	26,867.00	(12,729.13)	(7,554.12)		295.44	5,402.87	(12,729.13)	
Debt Service Fund:															
Debt Service Aid - Type II															
	11-495-034-5120-075	234,482.00	7/1/10	6/30/11				234,482.00	(234,482.00)					(234,482.00)	
								234,482.00	(234,482.00)					(234,482.00)	
Enterprise Fund:															
National School Lunch Program (State Share)															
	11-100-010-3350-023	12,456.53	7/1/10	6/30/11				10,511.06	(12,456.54)			(1,945.48)		(12,456.54)	
	10-100-010-3350-023	13,832.64	7/1/09	6/30/10	(1,375.28)			1,375.28							
					(1,375.28)			11,886.34	(12,456.54)			(1,945.48)		(12,456.54)	
Total State Financial Assistance Subject to Single Audit															
					(644,855.60)	295.44	7,554.12	6,675,972.99	(8,879,685.31)	(7,554.12)	(410,178.79)	295.44	5,402.87	(443,992.00)	(6,879,746.31)
General Fund:															
On-Behalf TPAF Non Contributory Insurance															
	11-495-034-5095-007	74,342.00	7/1/10	6/30/11				74,342.00	(74,342.00)					(74,342.00)	
On-Behalf TPAF Post-Retirement Medical Benefits															
	11-495-034-5095-001	1,579,017.00	7/1/10	6/30/11				1,579,017.00	(1,579,017.00)					(1,579,017.00)	
Total State Financial Assistance															
					\$ (644,855.60)	\$ 295.44	\$ 7,554.12	\$ 8,329,331.99	\$ (8,533,244.31)	\$ (7,554.12)	\$ (410,178.79)	\$ 295.44	\$ 5,402.87	\$ (443,992.00)	\$ (8,533,105.31)

See accompanying notes to schedules of financial assistance.

**Flemington-Raritan Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2011**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Flemington-Raritan Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**Flemington-Raritan Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2011**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$250,579.00 for the general fund and \$76,844.69 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$8,524,155.64	\$8,524,155.64
Special Revenue Fund	\$1,007,725.54	12,751.36	1,020,476.90
Debt Service Fund		234,482.00	234,482.00
Food Service Fund	<u>259,883.03</u>	<u>12,456.54</u>	<u>272,339.57</u>
Total Awards & Financial Assistance	<u>\$1,267,608.57</u>	<u>\$8,783,845.54</u>	<u>\$10,051,454.11</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2011. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2011.

**NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a state single audit, and therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of state financial assistance reported in the Commission's basic financial statements and the amounts subject to state single audit and major program determination

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |             |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued:   | Unqualified |
| (2) | Internal Control Over Financial Reporting:   |             |
|     | (a) Material weakness identified?  | No          |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A         |
| (3) | Noncompliance material to basic financial statements noted?                                | No          |

**Federal Program(s)**

- |     |  |               |
|-----|--|---------------|
| (1) | Internal Control Over Major Federal Programs:  |               |
|     | (a) Material weakness identified?  | No            |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?                             | N/A           |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?  | Unqualified   |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | None Reported |

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results (Continued)**

**Federal Program(s) (Continued)**

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>Grant Number</u>
IDEA Part B	84.027
IDEA Part B - ARRA	84.391

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**Section I – Summary of Auditor’s Results (Continued)**

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (a) Significant deficiencies identified that are not considered to be material weaknesses? N/A
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? None Reported
- (4) Identification of Major State Program(s):
- | <u>Program</u>    | <u>Grant Number</u> |
|-------------------|---------------------|
| Equalization Aid  | 495-034-5120-078    |
| Special Education |                     |
| Categorical Aid   | 495-034-5120-089    |
- (5) Program Threshold Determination:  
Type A State Program Threshold > \$300,000.00  
Type B State Program Threshold <= \$300,000.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

**Flemington-Raritan Regional School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2011**

**Section II – Financial Statement Audit – Reported Findings**  
**Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

**Flemington-Raritan Regional School District**

**Schedule of Prior Year Audit Findings**

Not Applicable

